Mphasis
The Next Applied

1 July 2019

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

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

Dear Sir/Madam,

Sub:- Dispatch of the Notice of the 28th Annual General Meeting and the Annual Report for the year ended 31 March 2019 to the Shareholders of the Company

We wish to inform you that the Company has dispatched the Notice of the 28th Annual General Meeting (AGM) scheduled to be held on 25 July 2019, at 10:30 am (IST) at Taj MG Road, 41/3, Mahatma Gandhi Road, Bengaluru-560 001, India together with the Annual Report for FY19, to all the members whose name appeared in the Register of members/List of Beneficial owner as on 21 June 2019. The Notice and Annual Report 2019 (including the e-books and the Digital Annual Report) have been uploaded on the website of the Company, as per the following details-

1. Digital Annual Report - https://www.mphasis.com/mphasis/ebooks/2019-Digital-Annual-Report/index.html
2. Notice (e-book) - https://www.mphasis.com/mphasis/ebooks/2019-Notice/index.html
3. Annual Report (e-book) - https://www.mphasis.com/mphasis/ebooks/2019-Annual-Report/index.html
4. Notice (PDF) - Notice PDF
5. Annual Report (PDF) – Annual Report FY 2019 (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 2019 sent to equity shareholders of the Company.

We also enclose a copy of newspaper advertisement published on Saturday, 29 June 2019 in the Business Standard and Samyuktha Karnataka (Kannada language newspaper) regarding the dispatch of the subject Notice and the Annual Report to the shareholders.

We request you to Kindly take the above on record as per the requirements of the 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

DS
kk

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

Mphasis Limited
Regd.Office: Bagmane World Technology Centre,
Marathahalli Outer Ring Road, Doddanakundi Village, Mahadevapura,
Bengaluru - 560048. CIN: L30007KA1992PLC025294
Tel: 91 80 6750 1000
Website: www.mphasis.com ; email: investor.relations@mphasis.com

Notice

Notice is hereby given that the Twenty Eighth Annual General Meeting ("AGM") of Mphasis Limited will be held at 10:30 am on Thursday, the 25 July 2019, at Taj MG Road, 41/3, Mahatma Gandhi Road, Bengaluru – 560 001, India, to transact the ordinary and special businesses contained in the Notice of the twenty eighth AGM together with the additional information in respect of the directors seeking appointment/re-appointment and the Explanatory Statement pursuant to the Companies Act, 2013 and that the twenty eighth Annual Report for the financial year ended 31 March 2019 together with the Notice of the AGM, dispatched physically/through electronic mail, individually to the members of the Company at their registered addresses/e-mail IDs to those members whose names appear on the register of members / list of beneficial owners as at 21 June 2019. The Annual Report and the Notice of the Annual General Meeting is uploaded on the website of the Company; www.mphasis.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 Company is also providing the physical voting facility, at the AGM, to the members who have not cast their vote by remote e-voting.

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, a 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	Friday, 28 June 2019
Cut-off date for remote e-voting	Thursday, 18 July 2019
The date and time of commencement of remote e-voting	Saturday, 20 July 2019 at 9.00 AM
Closing of remote e-voting	Wednesday, 24 July 2019 at 5.00 PM
Declaration of results of voting	The results will be declared forthwith, upon receipt of Scrutinizer report, within 48 hours from the conclusion of the AGM and placed at the registered office of the Company, Mphasis Limited, Bagmane World Technology Center, Marathahalli Outer Ring Road, Doddanakundi Village, Mahadevapura, Bengaluru – 560 048 and also at the Corporate Office of the Company "Bagmane Laurel", Bagmane Technology Park, Byrasandra Village, C V Raman Nagar, Bengaluru – 560 093. Further the results will be hosted on the website of the Company at www.mphasis.com despite of being hosted on the website of the Stock Exchanges.

The Notice of the AGM is uploaded on the website of the Agency, NSDL at https://www.evoting.nsdl.com/.

Notice is also hereby given that the Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 13 July 2019 to Thursday, 25 July 2019 (both days inclusive).

NOTES:

1. **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. THE PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The members are requested to register their e-mail IDs and changes therein, if any, with the Depository Participant with whom the demat account is maintained to enable service of documents under electronic mode. Members holding shares in physical form are requested to send their e-mail ID details quoting their folio number/s to the Company's Registrar and Share Transfer Agent: Integrated Registry Management Services Private Limited, (Unit: Mphasis Limited) No.30, Ramana Residency, IV Cross, Malleswaram, Bangalore – 560 003.
3. 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 giri@integratedindia.in and shall be entitled for availing remote e-voting facility as well as 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. Thursday,18 July 2019. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.
4. 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, Doddanakundi Village, Bengaluru – 560 048, Ph:+91-080-67504613 or e-mailed to subramanian.narayan@mphasis.com.
5. The remote e-voting module shall be forthwith blocked by NSDL at 5.00 pm on Wednesday, 24 July 2019 and remote e-voting shall not be allowed beyond the aforesaid date and time.
6. A member may participate in the AGM even after exercising their right to vote through remote e-voting but shall not be entitled to vote again at the AGM.
7. Any member, who has received the Annual Report and the Notice through the e-mail, wishes to obtain physical copy of the document, may write to the Company Secretary at the Registered Office.
8. SEBI vide circular dated 20 April 2018 has mandated payment of dividends (including the unclaimed dividends) in electronic mode to the shareholders. In this regard, members holding shares in electronic form, who have not registered their bank particulars are requested to update the same with their respective depositories and members holding shares in physical form are requested to contact the Company's Registrar and Share Transfer Agent to enable the Company to disburse the dividend to your bank account directly.

For **Mphasis Limited**
Sd/-
Subramanian Narayan
Vice President and Company Secretary

Bengaluru
28 June 2019

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kk

Weekend Business Standard
MUMBAI EDITION

Printed and Published by Sangita Kheora on behalf of Business Standard Private Limited and printed at M/s. Dangat Media Private Limited, 22 Digha M.I.D.C, TTC Industrial Area, Vishnu Nagar, Digha, Navi Mumbai - 400708 and M/s. Nai Dunia 23/4, 23/5, Sector-D, Industrial Area, J.K.Road, Near Minal Residency, Bhopal (M.P.) - 462023.

Editor : Shyamal Majumdar

RNI No. MAHENG/2013/53717

Readers should write their feedback at **feedback@bsmail.in**
Fax : +91-11-23720201

For Subscription and Circulation enquiries please contact:
Ms. Mansi Singh
Head-Customer Relations
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"or sms, SUB BS to 57007"

Overseas subscription: (Mumbai Edition Only)

One year subscription rate by air mail INR 46620 : USD 725

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ಸಾರ್ವಜನಿಕ ಘೋಷಣೆ

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ದಿನಾಂಕ : 26/06/2019.

ಸ್ಥಳ : ಬೆಂಗಳೂರು

IBBI/IPA-001/IP-01004/2017-2018/11757.

ಸೆಂಟ್ರಲ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಇಂಡಿಯಾ

सेन्ट्रल बैंक ऑफ इंडिया

Central Bank of India

ನಂ. 22, ಬೆಂಗಳೂರು, ಕರ್ನಾಟಕ – 560004

2002ರ ಹಣಕಾಸು ಆಸ್ತಿಗಳ ಭದ್ರತೆ ಮತ್ತು ಪುನರ್ ನಿರ್ಮಾಣ ಹಾಗೂ ಭದ್ರತಾ ಹಿತಾಸಕ್ತಿ ಜಾರಿ ಕಾಯಿದೆ ಕಲಂ 13(2)ರಡಿ ಸೂಚನೆ.

[illegible] ರೂ. 89,00,000/- [illegible]

ಕ್ರ. ಸಂ.	ಖಾತೆ ನಂಬರ್	ಸಾಲ ಸೌಲಭ್ಯದ ರೀತಿ	ಮಿತಿ	ಒಟ್ಟು ಮೊತ್ತ
1.	3413379725	Term Loan – Cent Sahyog	ರೂ. 4,00, 000/-	ರೂ. 1,58,023.00
2.	3413386450	Overdraft – Cent Sahyog	ರೂ. 30,00,000/-	ರೂ. 33,04,310.00
3.	3316713774	Term Loan – Cent Home	ರೂ. 55,00,000/-	ರೂ. 52,65,958.00
			ಒಟ್ಟು	ರೂ. 87,28,291.00

[illegible] 12.06.2019 [illegible] ರೂ. 87,28,291/- [illegible]

ದಿನಾಂಕ: 12.06.2019

ಸ್ಥಳ: ಬೆಂಗಳೂರು

ಸಹಿ/- ಮುಖ್ಯ ವ್ಯವಸ್ಥಾಪಕರು / ಅಧಿಕೃತ ಅಧಿಕಾರಿಗಳು ಸೆಂಟ್ರಲ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಇಂಡಿಯಾ

DHFL

ದಿವಾನ್ ಹೌಸಿಂಗ್ ಫೈನಾನ್ಸ್ ಕಾರ್ಪೊರೇಷನ್ ಲಿ.,

ಸ್ವಾಧೀನ ಪ್ರಕಟಣೆ (ಸ್ಥಿರಾಸ್ತಿಗಳ ಮಾತ್ರ)

[illegible]

ಸ್ಥಳ: ಬೆಂಗಳೂರು

ದಿನಾಂಕ: 27-06-2019

ಅಧಿಕೃತ ಅಧಿಕಾರಿ, ದಿವಾನ್ ಹೌಸಿಂಗ್ ಫೈನಾನ್ಸ್ ಕಾರ್ಪೊರೇಷನ್ ಲಿ.

ಸದ್ಗುರು ಶ್ರೀ ಕೋಡಿಮಠ ಮಹಾ ವಿದ್ಯಾಪೀಠ (ರಿ)

ಹಾರನಹಳ್ಳಿ, ಅರಸೀಕೆರೆ ತಾ, ಹಾಸನ ಜಿಲ್ಲೆ–573103

ಕ್ರಮಸಂಖ್ಯೆ: ಎಸ್.ಎಸ್.ಕೆ.ಎಂ.(ರಿ) 10/19–20, ದಿನಾಂಕ: 21.06.19

ಬೇಕಾಗಿದ್ದಾರೆ

ನಮ್ಮ ಸಂಸ್ಥೆಯ ವತಿಯಿಂದ ನಡೆಯುತ್ತಿರುವ ಅನುದಾನಿತ **ಶ್ರೀ ನಿರ್ವಾಣಸಿದ್ದೇಶ್ವರ ಪ್ರೌಢಶಾಲೆ, ನಿಡುವಳ್ಳಿ, ಕಡೂರು ತಾಲ್ಲೂಕು, ಚಿಕ್ಕಮಗಳೂರು ಜಿಲ್ಲೆ ಹಾಗೂ ಶ್ರೀ ಮಲೆನಾಡು ಗ್ರಾಮಾಂತರ ಪ್ರೌಢಶಾಲೆ, ಬಿಕ್ಕೋಡು, ಬೇಲೂರು ತಾಲ್ಲೂಕು, ಹಾಸನ ಜಿಲ್ಲೆ.** ಇಲ್ಲಿ ಖಾಲಿ ಇರುವ ಖಾಯಂ ಸಹ ಶಿಕ್ಷಕರುಗಳ ಹುದ್ದೆಗಳನ್ನು ಭರ್ತಿ ಮಾಡಿಕೊಳ್ಳಲು ಅರ್ಹ ಅಭ್ಯರ್ಥಿಗಳಿಂದ ಅರ್ಜಿಗಳನ್ನು ಆಹ್ವಾನಿಸಲಾಗಿದೆ. ಅಭ್ಯರ್ಥಿಗಳು ತಮ್ಮ ಅರ್ಜಿಗಳನ್ನು ಪೂರಕ ದಾಖಲೆಗಳು ಮತ್ತು ಸ್ವವಿವರಗಳೊಂದಿಗೆ ಅಧ್ಯಕ್ಷರು, ಸದ್ಗುರು ಶ್ರೀ ಕೋಡಿಮಠ ಮಹಾ ವಿದ್ಯಾಪೀಠ (ರಿ), ಹಾರನಹಳ್ಳಿ ಇವರ ಹೆಸರಿಗೆ ಪಡೆದ ರೂ.500/– ಡಿ.ಡಿ.ಯೊಂದಿಗೆ ಪ್ರಕಟಣೆಯಾದ 21 ದಿನಗಳ ಒಳಗಾಗಿ ಅಧ್ಯಕ್ಷರು, ಎಸ್.ಎಸ್.ಕೆ.ಎಂ.(ರಿ), ಹಾರನಹಳ್ಳಿ, ಅರಸೀಕೆರೆ ತಾಲ್ಲೂಕು, ಹಾಸನ ಜಿಲ್ಲೆ–573103. ಈ ವಿಳಾಸಕ್ಕೆ ಸಲ್ಲಿಸತಕ್ಕದ್ದು, ಅರ್ಜಿಯ ಒಂದು ಪ್ರತಿಯನ್ನು ಆಯಾ ಉಪ ನಿರ್ದೇಶಕರು, ಸಾರ್ವಜನಿಕ ಶಿಕ್ಷಣ ಇಲಾಖೆ, ಹಾಸನ/ಚಿಕ್ಕಮಗಳೂರು ಜಿಲ್ಲೆ ಇವರಿಗೆ ಸಲ್ಲಿಸತಕ್ಕದ್ದು.

ಸದರಿ ಹುದ್ದೆಗಳು ಮಾನ್ಯ ಆಯುಕ್ತರು, ಸಾರ್ವಜನಿಕ ಶಿಕ್ಷಣ ಇಲಾಖೆ, ಬೆಂಗಳೂರು ಇವರ ಜ್ಞಾಪನಾ ಸಂಖ್ಯೆ ಸಿ8(3)ಶಾಶಿಅ.ಖಾಹುಭಅನು/172/2018–19, ದಿನಾಂಕ: 31.05.2019–11.06.2019 ರಲ್ಲಿ ಉಲ್ಲೇಖಿಸಿರುವ ಎಲ್ಲಾ ನಿಯಮ ಮತ್ತು ಷರತ್ತುಗಳಿಗೆ ಒಳಪಟ್ಟಿವೆ. ಹೆಚ್ಚಿನ ವಿವರಗಳನ್ನು ಆಡಳಿತ ಮಂಡಳಿಯ ಕಛೇರಿಯಲ್ಲಿ ಪಡೆಯಬಹುದು.

ಕ್ರ. ಸಂ.	ಶಾಲೆಯ ಹೆಸರು ಮತ್ತು ವಿಳಾಸ	ವಿಷಯ	ಹುದ್ದೆ ಸಂಖ್ಯೆ	ರಿಕ್ತ ಸ್ಥಾನ	ಮೀಸಲಾತಿ	ಸಮ ತಳ ಮೀಸಲಾತಿ		ವಿದ್ಯಾರ್ಹತೆ
						ಸಂಖ್ಯೆ	ಮೀಸಲಾತಿ	
01	ಶ್ರೀ ನಿರ್ವಾಣ ಸಿದ್ದೇಶ್ವರ ಪ್ರೌಢಶಾಲೆ, ನಿಡುವಳ್ಳಿ, ಕಡೂರು ತಾಲ್ಲೂಕು, ಚಿಕ್ಕಮಗಳೂರು ಜಿಲ್ಲೆ	ಸಹ ಶಿಕ್ಷಕರು ಕಲಾ	01	08	ಸಾಮಾನ್ಯ	04	ಅಂಗವಿಕಲ ಅಭ್ಯರ್ಥಿ	ಸರ್ಕಾರದ ಅಧಿಸೂಚನೆ ಸಂಖ್ಯೆ:ಇಡಿ.291. ಎಲ್‌ಬಿಪಿ.2015, ದಿ:29.09.2016ರ ವೃಂದ ಮತ್ತು ನೇಮಕಾತಿ ನಿಯಮಗಳಲ್ಲಿ ನಿಗಧಿಪಡಿಸಿರುವ ವಿದ್ಯಾರ್ಹತೆಯನ್ನು ಹೊಂದಿರತಕ್ಕದ್ದು.
02	ಶ್ರೀ ಮಲೆನಾಡು ಗ್ರಾಮಾಂತರ ಪ್ರೌಢಶಾಲೆ, ಬಿಕ್ಕೋಡು, ಬೇಲೂರು ತಾಲ್ಲೂಕು, ಹಾಸನ ಜಿಲ್ಲೆ.	ಸಹ ಶಿಕ್ಷಕರು (ಹಿಂದಿ)	01	09	ಪರಿಶಿಷ್ಟ ಜಾತಿ	02	ಮಹಿಳಾ ಅಭ್ಯರ್ಥಿ	

ಸಹಿ/– ಅಧ್ಯಕ್ಷರು

ದಿನಾಂಕ: 29/06/2019

ಸ್ಥಳ : ಹಾರನಹಳ್ಳಿ

ಸದ್ಗುರು ಶ್ರೀ ಕೋಡಿಮಠ ಮಹಾ ವಿದ್ಯಾಪೀಠ (ರಿ)
ಹಾರನಹಳ್ಳಿ –573 312, ಹಾಸನ ಜಿಲ್ಲೆ.

ಭಾರತೀಯ ಸ್ಟೇಟ್ ಬ್ಯಾಂಕ್

ಒತ್ತಡಗ್ರಸ್ತ ಆಸ್ತಿ ವಸೂಲಿ ಶಾಖೆ (SARB), ಬೆಂಗಳೂರು

ಅಧಿಕೃತ ಅಧಿಕಾರಿಗಳ ವಿವರ:
ಹೆಸರು : ಶ್ರೀ ಅವನೀಶ್ ರೂಪಕ್
E-mail ID: sbi.05173@sbi.co.in
ಮೊಬೈಲ್ : +91 7624890111
ದೂರವಾಣಿ (ಕಛೇರಿ): 080–25943663

ಶಾಖೆಯ ವಿಳಾಸ:
ನಂ. 11/90, 3ನೇ ಮಹಡಿ,
ಜೆ.ಸಿ ರಸ್ತೆ, ಹಳೆ ಹಿಮಾಲಯ ಥಿಯೇಟರ್ ಹತ್ತಿರ ಬೆಂಗಳೂರು–560 002
ಸಂಪರ್ಕಿಸಿ : CCO: ಶ್ರೀ ಆನಂದ್ ಆರ್. ಜೋಶಿ
ಮೊ:9449842948
ಫೋನ್ ನಂ: 080–2594–3678/3663
E-mail ID: sbi.05173@sbi.co.in

ಇ–ಹರಾಜು ಮಾರಾಟ ಸೂಚನೆ

ಅನೆಂಡಿಕ್ IV ಎ

[ನಿಯಮ 8(6)ರ ಅನ್ವಯ]

ಇ–ಹರಾಜು ದಿನಾಂಕ 17.07.2019

ಸ್ಥಿರಾಸ್ತಿಯ (ಆವರಣದಲ್ಲಿರುವ ಚರಾಸ್ತಿಗಳನ್ನು ಹೊರತುಪಡಿಸಿ) ಮಾರಾಟಕ್ಕಾಗಿ ಮಾರಾಟ ಸೂಚನೆ

[illegible] 2002 [illegible] 17.07.2019 [illegible]

Tender No:SBI/SARB/CM/ARJ/5595/446

[illegible]

https://sbi.auctiontiger.net

ದಿನಾಂಕ : 28.06.2019

ಸ್ಥಳ : ಬೆಂಗಳೂರು

ಸಹಿ/- ಅಧಿಕೃತ ಅಧಿಕಾರಿ

ಬಹಿರಂಗ ಹರಾಜು

[illegible]

ಪಾಲಕರ ಪತ್ತೆಗಾಗಿ ಬಾಲಕಿಯ ವಿವರಗಳು

[illegible] 560019. ದೂ: 080–26508641, 26675543.

ಬಹಿರಂಗ ಹರಾಜು

[illegible] 05/07/2019 [illegible]

ಬಹಿರಂಗ ಹರಾಜು

[illegible] 01/07/2017 [illegible] 25/05/2018 [illegible] 05/07/2019 [illegible] 10 [illegible] 560001 [illegible]

CHANGE OF NAME

I, THEJU, Aged about 28 years, W/o. Mr. B. Rajasekhar, Residing at No.35/1, 1st Floor, 14th Main Road, Viratnagar, Near Presidency School, Bommanahalli, Bangalore -560068, have changed my name **THEJU** (Old Name) to **K. THEJOVATHI** (New Name) vide Affidavit Dated 27.06.2019 before notary Hegde Ganapati Venkatraman, Advocate and Notary Public, Govt.of India, Bangalore - 62

CHANGE OF NAME

I, (OLD NAME) KUMARI SAPNA, Residing at No. 801 A, Lake Point Tower Apartment, Chikka Begur, Bangalore-560068, have changed my name to **(NEW NAME) SAPNA PRASAD** W/o Gautam Prasad vide affidavit Dated 28/06/2019 sworn before Notary A.S.Narayana Reddy, Bangalore.

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Mphasis Limited

Mphasis
The Next Applied

Regd.Office: Bagmane World Technology Centre,
Marathahalli Outer Ring Road, Doddanakundi Village, Mahadevapura.
Bengaluru - 560048. CIN: L30007KA1992PLC025294
Tel: 91 80 6750 1000
Website: www.mphasis.com ; email: investor.relations@mphasis.com

Notice

Notice is hereby given that the Twenty Eighth Annual General Meeting ("AGM") of Mphasis Limited will be held at 10:30 am on Thursday, the 25 July 2019, at Taj MG Road, 41/3, Mahatma Gandhi Road, Bengaluru – 560 001, India, to transact the ordinary and special businesses contained in the Notice of the twenty eighth AGM together with the additional information in respect of the directors seeking appointment/re-appointment and the Explanatory Statement pursuant to the Companies Act, 2013 and that the twenty eighth Annual Report for the financial year ended 31 March 2019 together with the Notice of the AGM, dispatched physically/through electronic mail, individually to the members of the Company at their registered addresses/e-mail IDs to those members whose names appear on the register of members / list of beneficial owners as at 21 June 2019. The Annual Report and the Notice of the Annual General Meeting is uploaded on the website of the Company; www.mphasis.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 Company is also providing the physical voting facility, at the AGM, to the members who have not cast their vote by remote e-voting.

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, a 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	Friday, 28 June 2019
Cut-off date for remote e-voting	Thursday, 18 July 2019
The date and time of commencement of remote e-voting	Saturday, 20 July 2019 at 9.00 AM
Closing of remote e-voting	Wednesday, 24 July 2019 at 5.00 PM
Declaration of results of voting	The results will be declared forthwith, upon receipt of Scrutinizer report, within 48 hours from the conclusion of the AGM and placed at the registered office of the Company, Mphasis Limited, Bagmane World Technology Center, Marathahalli Outer Ring Road, Doddanakundi Village, Mahadevapura, Bengaluru – 560 048 and also at the Corporate Office of the Company "Bagmane Laurel", Bagmane Technology Park, Byrasandra Village, C V Raman Nagar, Bengaluru – 560 093. Further the results will be hosted on the website of the Company at www.mphasis.com despite of being hosted on the website of the Stock Exchanges.

The Notice of the AGM is uploaded on the website of the Agency, NSDL at https://www.evoting.nsdl.com/.

Notice is also hereby given that the Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 13 July 2019 to Thursday, 25 July 2019 (both days inclusive).

NOTES:

1. **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. THE PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The members are requested to register their e-mail IDs and changes therein, if any, with the Depository Participant with whom the demat account is maintained to enable service of documents under electronic mode. Members holding shares in physical form are requested to send their e-mail ID details quoting their folio number/s to the Company's Registrar and Share Transfer Agent: Integrated Registry Management Services Private Limited, (Unit: Mphasis Limited) No 30, Ramana Residency, IV Cross, Malleswaram, Bangalore – 560 003.
3. 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 giri@integratedindia.in and shall be entitled for availing remote e-voting facility as well as 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. Thursday, 18 July 2019. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.
4. 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, Doddanakundi Village, Bengaluru – 560 048, Ph:+91-080-67504613 or e-mailed to subramanian.narayan@mphasis.com.
5. The remote e-voting module shall be forthwith blocked by NSDL at 5.00 pm on Wednesday, 24 July 2019 and remote e-voting shall not be allowed beyond the aforesaid date and time.
6. A member may participate in the AGM even after exercising their right to vote through remote e-voting but shall not be entitled to vote again at the AGM.
7. Any member, who has received the Annual Report and the Notice through the e-mail, wishes to obtain physical copy of the document, may write to the Company Secretary at the Registered Office.
8. SEBI vide circular dated 20 April 2018 has mandated payment of dividends (including the unclaimed dividends) in electronic mode to the shareholders. In this regard, members holding shares in electronic form, who have not registered their bank particulars are requested to update the same with their respective depositories and members holding shares in physical form are requested to contact the Company's Registrar and Share Transfer Agent to enable the Company to disburse the dividend to your bank account directly.

For **Mphasis Limited**
Sd/-
Subramanian Narayan
Vice President and Company Secretary

Bengaluru
28 June 2019

Mphasis
The Next Applied

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Eighth Annual General Meeting of the members of Mphasis Limited will be held at 10:30 A.M. on Thursday, the 25 July 2019, at Taj MG Road, 41/3, Mahatma Gandhi Road, Bengaluru – 560 001, India, 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 2019, the statement of profit and loss and cash flow statement for the year ended on that date and the reports of the Board and Auditors' thereon.
2. To declare a final dividend on equity shares.
3. To appoint a director in place of Mr. Amit Dixit, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Paul James Upchurch, 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 an **ORDINARY RESOLUTION**:

   RESOLVED THAT pursuant to Sections 152,160 and other applicable provisions of the Companies Act, 2013 and the applicable rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Marshall Jan Lux (DIN: 08178748), in respect of whom the Company has received a notice in writing from a member proposing his candidature to the office of Director, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to retirement by rotation.

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 Sections 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 (the "Listing Regulations"), Mr. Davinder Singh Brar (DIN: 00068502), Independent Director, whose period of office expires on 30 September 2019, who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment for the next term of five consecutive years under the Companies Act, 2013 and the Listing Regulations and in respect of whom the Company has received a notice in writing from a member proposing his 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 1 October 2019.

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

SUBRAMANIAN NARAYAN
Vice President and Company Secretary

Paris, France
27 May 2019

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

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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:

Name	Mr. Amit Dixit	Mr. Paul James Upchurch	Mr. Marshall Jan Lux	Mr. Davinder Singh Brar
DIN	01798942	07593638	08178748	00068502
Date of first appointment at the Board	1 Sep 2016	1 Sep 2016	7 Aug 2018	8 Apr 2004
Date of Birth	26 Jan 1973	5 Nov 1968	22 Feb 1960	21 August 1952
Qualification	MS (Engineering), B.Tech and MBA	Bachelor of Science in Information Science	Master's in Business	B.E. Electrical and Master's in Management
Nature of expertise in specific functional areas	Technology, Finance and Management	Technology and Management	Technology and Management	Technology, Finance and Management
Directorship in the Boards of other Indian listed entities	Refer below	Nil	Nil	Refer below
Membership/ Chairmanship in Committees of other Indian listed entities	Refer below	Nil	Nil	Refer below

Name of the Director	Other Directorship in Indian Public Companies	Membership/ Chairmanship
Mr. Amit Dixit	Jagran Prakashan Limited	Member of Audit Committee
Mr. Davinder Singh Brar	Maruti Suzuki India Limited	Chairman of Audit Committee
		Member of Stakeholders Relationship Committee
	Wockhardt Limited	Member of Audit Committee and Stakeholders Relationship 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 Stakeholders Relationship Committee 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 2019.*
6. *The detailed Profile of Directors are disclosed in the Annual Report 2019 and are also hosted on the website of the Company at www.mphasis.com.*

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF/ITSELF AND A PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. 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.
3. A person can act as a Proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. In case where proxies representing more than fifty (50) members or representing more than ten percent (10%) of the voting rights are received by the Company, the proxy may choose the members to be represented and confirm the same to the Company at its registered office by the closing hours of Friday, 19 July 2019. In case the Company does not receive such confirmation, the proxies appointed, within the aforesaid limit, in the order of receipt of proxy forms by the Company will be considered.
4. A copy of the Annual Report, Notice of Annual General Meeting (AGM) and dividend intimation are being sent to those members, through electronic mail (e-mail), who have registered their e-mail IDs with the Registrar and Share Transfer Agent (RTA) or with their Depository Participant (DP)/Company. Members are requested to update their preferred e-mail ID with the RTA/DP/Company, as the case may be, which will be used by the Company for future communication.
5. The Company is pleased to provide remote e-voting facility (e-voting) to its members for voting on the resolutions placed before the members at this AGM. Members desirous of availing this e-voting facility are requested to read the instructions in relation to e-voting given after this section and comply with the instructions to cast their vote electronically. Members who have not casted their vote through e-voting can physically cast their vote through poll at the AGM.
6. A Member can opt for only one mode of voting i.e. either through e-voting or in physical form. If a member casts his / her/its vote by both modes, then voting done through e-voting shall prevail and the vote casted by ballot shall be invalid.
7. The Chairman of the AGM shall at the end of discussion on all the resolutions on which the voting is to be held allow voting with the assistance of a Scrutinizer, by use of ballot for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
8. 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 result of the voting forthwith.

9. 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.
10. Members / Proxies are requested to bring their copy of the Annual Report and the Attendance Slip sent herewith, duly filled, to the AGM.
11. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 13 July 2019 to Thursday, 25 July 2019 (both days inclusive).
12. The final dividend on equity shares as recommended by the Board of Directors for the year ended 31 March 2019, if approved at the Annual General Meeting, will be payable:
    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, 12 July 2019, after giving effect to all valid transfers in physical form lodged with the Company or its Registrar & Share Transfer Agent on or before Friday, 12 July 2019; 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 (CDSIL) for this purpose at the close of business hours on Friday, 12 July 2019.
13. Pursuant to Section 124 of the Companies Act, 2013 read with the Investor Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules, 2016), the dividends remaining unclaimed/unpaid for seven years is required to be transferred to Investor Education & Protection Fund. Accordingly, the unclaimed and unpaid dividend for the year 2011-12, is liable to be transferred to the Investor Education & Protection Fund in April 2020. 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 are 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 20,933 shares held by 138 shareholders, which are liable to be transferred to IEPF Authority in April 2020.

    The Company has uploaded the details of shareholders whose shares are required to be transferred to, IEPF Authority on the website of the Company at https://www.mphasis.com/content/dam/mphasis-com/global/en/investors/governance/new-folder/LIST%20OF%20SHAREHOLDERS%20WHOSE%20DIVIDEND%20REMAINS%20UNPAID%20FOR%20SEVEN%20CONSECUTIVE%20YEARS%20AS%20AT%2031%20MAY%202019.pdf.
14. The question and answer session in relation to the Financial Accounts of the Company will be taken when the resolution in relation to Item Nos.1 and 2 of the Notice are in motion. The members will have an opportunity to raise their queries and/or provide their suggestions to the Board which will be responded to appropriately by the Chairman of the Meeting.
15. Shareholders intending to require information about the financial accounts, to be explained at the meeting, are requested to inform the Company at least a week in advance of their queries, so that the papers relating thereto may be made available, if the Chairman permits such information to be furnished.
16. 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 2018	Unclaimed shares debited from the account during FY 2019	Closing balance of shares as at 31 March 2019
4,500	-	4,500

    Note: As at the date of the Notice, 200 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 were unclaimed for seven consecutive years.

17. The identity/signature of the members holding shares in demat form is liable for verification with specimen signatures as may be furnished by NSDL/CDSIL to the Company. Such members are advised to bring the relevant Identity Card issued by the Depository Participant.
18. Members are requested to notify any change in their address to the RTA/Company/Depository Participant, as the case may be.
19. 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, Doddanakundi Village, Mahadevapura, Bengaluru - 560 048. e-mail: subramanian.narayan@mphasis.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) 2346 0815 – 818. Fax: +91 (080) 2346 0819.

NOTICE OF THE ANNUAL GENERAL MEETING

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 eighth AGM by electronic means. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
2. The facility for voting through a physical ballot shall be made available at the AGM and the members attending the meeting, who have not cast their vote by remote e-voting shall only, be able to exercise their right to vote at the meeting through physical ballot.
3. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again at the AGM.
4. The remote e-voting period commences on Saturday, 20 July 2019 at 9.00 AM and ends on Wednesday, 24 July 2019 at 5.00 PM. During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on Thursday, 18 July 2019, 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 24 July 2019. Vote casted once by the member shall not be allowed to be changed subsequently.
5. 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.
6. <u>The process and manner for remote e-voting are as under:</u>
   a) **In case a Member receives an e-mail from NSDL [for members whose e-mail IDs are registered with the Company/ Depository Participant(s)]:**
      (i) Open e-mail and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as the password. The said PDF file contains your user ID and Password/PIN for remote e-voting. Please note that the password is an initial password.
      (ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/
      (iii) Click on Shareholder - Login
      (iv) Put user ID and Password as the initial Password/PIN noted in step (i) above. Click Login.
      (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
      (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
      (vii) Select "EVEN" of "Mphasis Limited".
      (viii) Now you are ready for remote e-voting as "Cast Vote" page opens.
      (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
      (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
      (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
      (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer, Mr. S P Nagarajan through e-mail to cs@nagarajansp818.com with a copy marked to evoting@nsdl.co.in.

   b) **In case a member receives physical copy of the Notice of the AGM [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy]:**
      (i) Initial password is provided as below in the Attendance Slip:

<u>EVEN (Remote e-voting Event Number)</u>	<u>USER ID</u>	<u>PASSWORD/PIN</u>

      (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast the vote.
7. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call toll free No.: 1800-222-990.
8. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and Password/PIN for casting your vote.
9. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
10. The voting rights of members shall be in proportion to their shares held in the Company as on the cut-off date, i.e. Thursday, 18 July 2019.
11. Any person, who acquires shares of the Company and become a member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. Thursday, 18 July 2019, such a member may obtain the login ID and password by sending a request at evoting@nsdl.co.in or giri@integratedindia.in (RTA).

NOTICE OF THE ANNUAL GENERAL MEETING

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll-free No.: 1800-222-990.

12. A person, 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 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through physical ballot. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.
13. 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.

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 businesses mentioned in the accompanying Notice and should be taken as forming part of the Notice.

Item No. 5:

Mr. Marshall Jan Lux was appointed as an additional director on the Board of the Company on 7 August 2018. In terms of Section 161 of the Companies Act, 2013, the additional director holds office till the ensuing Annual General Meeting. The Company has received a notice from a member under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Lux to the office of directorship. Necessary resolution seeking approval of the members for his appointment is placed by means of an Ordinary Resolution.

Mr. Lux has been a Financial Services consultant and practitioner for over 30 years. He is a director or advisor for various Private Equity companies across industries and geographies. Mr. Lux is currently involved in companies ranging from consumer credit, wealth, insurance, health care, technology and financial technology. Mr.Lux has a broad network of C-suite executives, whom he has worked with on some of their most important issues.

Considering his technical expertise, he has been engaged as a senior advisor with Mphasis Corporation, a wholly owned subsidiary of the Company, under Independent Contractor Agreements executed on 11 October 2016 and 9 March 2018. In terms of his engagement, Mr. Lux, inter-alia, advises Mphasis Corporation in the areas of business development, solutions built for Industry verticals and Introduction to prospects. The term of his engagement continues till the agreement is terminated by either party in accordance with the terms of the agreements referred above. The terms of his remuneration consist of the following commission plan which is linked to the revenue from new clients introduced by Mr. Lux:

- 1% of the new revenue for the first year
- 0.5% of the new revenue for the second year
- In case the profitability of the contracts is below the defined threshold, the commission will be half the rates specified above.

In addition to the above, Mr. Lux is also entitled for stock-based Incentive Units of Mphasis Corporation.

Mr. Lux holds 50,000 stock-based Incentive Units of Mphasis Corporation which were granted at the time of signing the Independent Contractor Agreement. The stock units vest over 5 equal tranches and can be exercised any time up to 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 difference between Rs.544.50 (being the market price of shares of Mphasis Limited on the date of signing of contract) and share price as on the date of exercise of incentive units. As at the date of notice, 20,000 options are vested.

As at the date of the Notice, no Commission is paid to Mr. Marshall Jan Lux from the date of his appointment as a director as the deals are under progress. He is yet to exercise his Stock Incentive Units. The qualification, areas of expertise and other details of Mr. Lux are detailed in the Notice of the meeting besides the brief profile being available in the Annual Report 2019 and on the website of the Company at www.mphasis.com. The details of attendance of Mr. Lux at the Board Meetings and remuneration paid are available in the Annual Report 2019.

Pursuant to the recommendations of the Nomination and Remuneration Committee, the Board of Directors recommends the appointment of Mr. Lux for approval of the members by means of an Ordinary Resolution.

The copies of the Independent Contractor Agreement entered into with Mr. Lux by Mphasis Corporation will be available for inspection of the members during business hours on all working days at the registered office and at the Corporate office of the Company up to the date of the Annual General Meeting and shall also be available for inspection by the members at the venue of Annual General Meeting.

Interest of Directors and Key Managerial Personnel:

Mr. Lux is interested in the above resolution to the extent of his appointment. None of the other directors and Key Managerial Personnel of the Company and their relatives are interested in the resolution.

NOTICE OF THE ANNUAL GENERAL MEETING

Item No. 6:

Mr. Davinder Singh Brar (DIN: 00068502) is a director of the Company since 8 April 2004. He was also elected as the Chairman of the Board effective 11 December 2015. In terms of Section 149 of the Companies Act, 2013, the members have at the Twenty Fourth Annual General Meeting held on 9 September 2015 appointed Mr. Brar as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years with effect from 1 October 2014. Accordingly, the current term of Mr. Brar expires on 30 September 2019. In terms of Section 149 of the Companies Act, 2013, Mr. Brar is eligible for being appointed as an Independent Director for another term of 5 consecutive years effective 1 October 2019. The Company has received a notice in writing from a member proposing his re-appointment as an Independent Director of the Company for another term of five consecutive years effective 1 October 2019.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 27 May 2019, approved, subject to the approval of the members at the ensuing Annual General Meeting, re-appointment of Mr. Brar as an Independent Director for another term of five consecutive years commencing from 1 October 2019 and consequent amendments to the extant letter of appointment dated 30 July 2014. Mr. Brar will not be liable to retire by rotation.

Mr. Brar is an eminent personality in his field. Considering his vast experience and knowledge, the Board considers his continued association to be of immense benefit to the Company. The Board, therefore, recommends the resolution as set out in Item No. 6 of the Notice for approval of members by means of a Special Resolution. A brief profile covering his qualifications, area of expertise and other details of the said Independent Director as required under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 is provided in the Notice and a detailed profile of the Independent Director is provided in the Annual Report 2019 and also hosted on the website of the Company at www.mphasis.com. The details on remuneration paid to the aforesaid Independent Director is given in the Corporate Governance Report forming part of the Annual Report 2019.

The re-appointment is recommended based on knowledge, skills, experience and performance evaluation of Mr. Brar. He has attended all the Board Meetings and the meetings of the Committees of which he is a Chairman or Member except one of the meeting of Board and one meeting of the Audit Committee during his tenure as an Independent Director. His performance evaluation has been considered annually by the Nomination and Remuneration Committee and the Board. Mr. Brar has been evaluated on parameters including proactive discussions, understanding of the Company's business, engagement with the Company's management, exercising of Independence of behavior and judgement in his decisions, and if he strives to bring in the best practices regarding governance, disclosures and operations. As Chairman of the Board, he has been evaluated by the Directors on the attributes in relation to leadership and effective moderator, effective management of board proceedings and promoting effective participation of directors, impartiality in discussions and promoting Company's image in dealing with major stakeholders. He has been rated most favorably in his performance evaluation including chairman assessment by other directors. Mr. Brar is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director. The Company has also received a declaration that he met the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Mr. Brar 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.

Copy of draft letter of re-appointment of Mr. Brar setting out the terms and conditions of appointment will be available for inspection of the members during business hours on all working days at the registered office and at the Corporate office of the Company up to the date of the Annual General Meeting and shall also be available for inspection by the members at the venue of Annual General Meeting.

Interest of Directors and Key Managerial Personnel:

Mr. Brar is interested in the resolution. None of the other directors and Key Managerial Personnel of the Company and their relatives are interested in the resolution.

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

SUBRAMANIAN NARAYAN
Vice President and Company Secretary

Paris, France
27 May 2019

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

Mphasis
The Next Applied

Mphasis Limited

Regd. Office: Bagmane World Technology Center, Marathahalli Outer Ring Road, Doddanakundi Village
Mahadevapura, Bengaluru – 560 048.
CIN:L30007KA1992PLC025294; e-mail:investor.relations@mphasis.com; Website:www.mphasis.com
Telephone: +91-080-6750 1000

TWENTY EIGHTH ANNUAL GENERAL MEETING

PROXY FORM

Folio No.:______________________ DP ID:________________ Client ID:______________ e-mail id:_______________________

Name of the member(s) :

Registered Address :

I/We, being the member(s) of______________ shares of the above named company, hereby appoint:

1. Mr./Mrs./Miss____address____,

   e-mail id:____________________________________ Signature*, or failing him/her

2. Mr./Mrs./Miss_______________________________________address____

   e-mail id:____________________________________ Signature*, or failing him/her

3. Mr./Mrs./Miss_______________________________________address____,

   e-mail id:____________________________________ Signature*

* signature to be provided in the specimen signature column provided below.

as my/our proxy to attend and vote (on poll) for me/us and on my/our behalf at the Twenty Eighth Annual General Meeting of the Company to be held on Thursday, 25 July 2019 at 10.30 AM at Taj MG Road, 41/3, Mahatma Gandhi Road, Bengaluru – 560 001, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description	✓ Refer Note 1
1	Adoption of Standalone and Consolidated Financial Statements	
2	Approval of final dividend on equity shares	
3	Re-appointment of Mr. Amit Dixit, who retires by rotation	
4	Re-appointment of Mr. Paul James Upchurch, who retires by rotation	
5	Appointment of Mr. Marshall Jan Lux as a Director	
6	Re-appointment of Mr. Davinder Singh Brar as an Independent Director	

Signed this ___________________day of __________ 2019.

Affix
Re. 1/-
Revenue
Stamp

Specimen Signature of the proxy

Specimen Signature of the proxy

Specimen Signature of the proxy

Signature of the Shareholder

Notes:

1. Tick the relevant item for which the proxy is appointed
2. A MEMBER ENTITLED TO ATTEND, AND VOTE IS ENTITLED TO APPOINT PROXY(IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF /ITSELF AND PROXY (IES) NEED NOT BE A MEMBER. THIS FORM OF PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING
3. Please note that a proxy cannot represent more than 50 members and more than 10% of the voting rights of the Company.

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Mphasis
The Next Applied

Bringing ‘T’ back into IT

Leading with design, Driven by customers

Mphasis Limited | Annual Report 2019

TECHNOLOGY IS OUR BUSINESS

And we power it with Speed and Agility

Our ‘customer-first’ commitment has firmly positioned us as strategic partners to our clients. Combining people, process, and technology levers, we help enterprises transform businesses globally. Our aim is to deliver business value by using the exponential power of cloud and cognitive, and providing hyper-personalized (C = X2C$^2_{TM}$ = 1) digital experiences to clients and their end-customers. We deliver quick returns on investments while lowering overall total cost of ownership, thereby allowing savings to be used for business transformation in the digital world.

We continue to lead with the Front2Back™ transformation approach that we architected last year. Keeping customers at the core and delivering iterative business, KPIs help to achieve unparalleled velocity and acceleration, and drive market leadership through innovative and intelligent experiences.

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’ core reference architectures and tools, speed and innovation with domain expertise and specialization enable faster time-to-market and have future-ready operations.

OUR OFFERINGS OUR HEROES

Our business is a reflection of the way technology is consumed by our enterprise clients, and change has huge implications on our future. While the client business gets more agile, the nature of our business changes and demand for ‘new gen’ skills increases along with the requirement for investments. To acknowledge the shift and to keep pace with the way services are consumed, we have strategically picked these 8 offerings:

DevOps

Delivering the new ‘faster’ is Mphasis’ integrated DevOps and Agile Framework. It accelerates solution deployment at the speed of business and ensures faster time to market – securely, collaboratively and seamlessly.

Modernization

Mphasis’ Modernization approach, based on our Front2Back™ methodology deconstructs legacy problems, and delivers incremental modernization and quantifiable business value. Structured as self-funding increments to reduce risk and investment, it moves enterprises to sustainable next-gen, cloud-ready and cognitive-enabled ecosystems.

Next-Gen App Dev

From a ‘big-ball-of-mud’ behemoth to a product and platform enterprise – this is the transformation that Mphasis Next-Gen App Development achieves. User-centric design, AI-driven experience platforms, IPs and accelerators come together to create accelerated reliability, agility engineering and an ‘innovation-by-default’ culture - all at breakneck speed of development.

Enterprise Automation

Leverage the power of cognitive technologies. Redefine automation across the organization with powerful efficiency layers. Deliver powerful business outcomes to drive revenues and growth. This is what organizations achieve with Mphasis Enterprise Automation – as it accelerates their 'time-to-value' and sharpens their business competitiveness.

Application Management Services

Integrated. Cognitive. Automated. Mphasis' Application Management Services leverages NextSTEP™, our next-generation service transformation platform to achieve continuous strategic, operational transformation and deliver business value. Mphasis' continuous application evolution approach helps in building a reliable foundation and transform legacy applications to modern platforms.

Infrastructure Management Services

AI- and cognitive-powered full-stack infrastructure management and transformation services with 30-50% operational cost savings – this is what Mphasis Infrastructure Management Services achieves. Our service delivery platform, InfraGenie™, enables clients to achieve standardization, efficiency, reliability and predictability of infrastructure operations to support cloud, software-defined infrastructure and next-gen application services.

Data

Mphasis Data solutions enable enterprises establish total data trust through next-generation data and analytics. In-house frameworks, accelerators, business architecture-driven methodology, and semantic web modeling are augmented by partner ecosystems to keep data accuracy at the forefront of all design processes.

Cyber Security

'Being agile to become antifragile'
This is the winning dictum of Mphasis Cyber Security portfolio of services to secure the digital journey of organizations. We weave the 5As of our solution design - Automation, AI, Analytics, Alignment and Assurance – to achieve the right level and type of security across identity and access management, security operations, data loss prevention programs, application security, digital forensics and GRC.

CONTENTS

FROM THE CEO

"The future ain't what it used to be"

- Yogi Berra

Dear Shareholder,

As I reflect on the past two years of our journey together, there is much to feel good about; especially, as it relates to our competitive positioning in the market, and our above-market growth, signaling that our clients are continuing to vote for us with their business.

There are a few metrics that are noteworthy – our business in our top accounts has grown well, with good wallet share gains, repositioning of our brand as a new generation applied tech services player and most importantly, deepening of our partnerships as signified by the fact that in many cases, we have graduated to a strategic role in helping clients adopt a new business model, one that is marked by agility, customer-first approach and a deep realization that technology is 'the business', not just an enabler.

We made many choices over the past two years, the approach we have taken to build a Cloud Native, Cognitive First business model with investments in areas like platforms and building Intellectual Property (IP), NEXT Labs, Talent Next, as well as adopting a 'Client-Centric' organizational design, with a clearly defined purpose of enabling their enterprises with the 'Driver in the Driverless Car', continues to give me confidence that we are on the right track.

We have made investments in IP creation, such as award-winning platforms Autocode.AI, DeepInsights™, InfraGenie™, etc. We have also launched a number of exciting initiatives around talent, including Mphasis Tech Council, Mphasis Architects Community and Academy, Geek Quotient (GQ) contests and Talent Next – our signature people development. Our investments in IP and talent have made Mphasis a destination company for top talent, especially as we have the opportunities that come with growth, and the ability to do some cutting-edge work.

We are focused on building our capabilities in these areas, as it is now clear that the need for agility, to meet their ever-increasing competitive pressures and to enable them to launch products and services quicker, is driving a very different pattern of consumption of technology.

This is leading to a rapid increase in use of As-A-Service business (_aaS), for both software and hardware assets – public cloud is a grand example of consumption on demand and the breakdown of the traditional technology market. Since our business is a reflection of the way technology is consumed by the enterprise client segment, this change has huge implications for our future, as the way services are consumed dramatically shifts, and the pace of change accelerates.

This dynamic is amplified for all our clients, creating seismic shifts in the way we have to plan, manage, run and invest in the business. And this dynamic is not limited to Mphasis alone, but is industry-wide, encompassing all forms of technology companies, not just services companies. Of course, this very disruption comes with unprecedented opportunities – as such we have to continue to invest in staying ahead of competitors in positioning ourselves as enablers of the 'new normal'.

We have come a long way in managing this dynamic, and still have a lot farther to go as we continue to navigate the future, helping our clients make the same transition. The next phase will require a combination of skill, scale, smarts, maturity and above all, extreme nimbleness to adjust and adapt.

We used the twin themes of Consistency and Transformation as we navigated this journey over the past two years. We are happy with our execution along the 4 vectors of Growth: Consistent, Competitive, Profitable and Responsible, through the year.

I feel privileged to have the opportunity to lead this organization as we race towards taking the lead in defining this new normal.

Thank you for your support and confidence.

Regards,

Nitin Rakesh
Chief Executive Officer & Executive Director

OUR CUSTOMER-FIRST COMMITMENT

How we enable **our clients** to win

Lead with
Design and Architecture

We take our business of technology very seriously. Our technological initiatives and investments are full-fledged pillars of our future-proofed technical excellence.

Under the visionary stewardship of Mphasis Tech Council, we lead with innovation as demonstrated in our Sparkle program* where we co-innovate with our clients. We also promote innovation through tech fairs, design thinking workshops and hackathon challenges.

Our pilot programs with clients define the ease and speed with which we create solutions and showcase how we solve business problems.

***SPARKLE – Sparking Innovation**

- Constant experimentation is our way of life to solve client problems
- Harnessing start-up ecosystem to enhance next-gen capability and create integrated solutions

Specialists @ **Scale**

We are nimble, agile and domain expert partners and help clients differentiate themselves to stay ahead. We apply next-gen technologies to businesses and provide holistic, scaled and extensible solutions that unify traditional silos of technology, operations and infrastructure functions.

We are in business for long-term relationships with clients and strive for excellence in service delivery. We achieve this through a consultative solutioning approach that provide conscious, strategic and scalable choices for enterprises.

A 'Billion Dollar' **Start-up Attitude**

A **razor-sharp customer focus.**
A 'float-like-a-butterfly, sting-like-a-bee' **nimbleness and agility.**
The **inch-wide, mile-deep unwavering commitment** to do the right thing by our clients.

We pride ourselves in being the billion dollar start-up that takes dedicated ownership to assure maximum benefits to our clients. Having a start-up attitude allows us to compete in the digital world that demands service at speed and focuses on driving business acceleration.

The Talent Edge that
Sharpens your Today and Tomorrow

We inspire our people to unleash their 'GQ' (Geek Quotient) and celebrate brilliance by embedding technology as our DNA. It keeps them updated and relevant with emerging technologies and helps to engage them in challenges (such as hackathons) to fuel innovation. Our partner ecosystems (of start-ups) and industry leaders (like Google, Microsoft and Amazon) inspire Mphasians to stride ahead in technology excellence.

Our Talent Next program, which is Mphasis talent transformation initiative, encourages our people to go the extra mile and enhance their technical capabilities. The Mphasis Academy, the Mphasis Tech Council, domain universities and NEXT Labs ensure that the momentum of learning, engagement and execution translate into impactful outcomes.

The Mphasis Way
Coded for Leadership

Our credo for service excellence lies in our strong principle of co-creating the paradigm of business success with all our stakeholders. We aim to be a specialist partner who integrates diverse global talent and innovative blend of services and technology to deliver customer delight.

We call ourselves the 'billion dollar start-up' for a reason. Each of us possesses a founder mentality. We challenge the status quo to define, innovate and solve higher order problems for enterprises – with a hyper-collaborative culture.

A Continuous
Journey of Applied Innovation

We have a relentless and unwavering focus on innovation. We endeavor to apply innovation to business and help generate value. We constantly challenge ourselves and work to accelerate the next paradigms of innovation.

To this end, NEXT Labs, our R&D team, focuses on research on emergent and future technologies and industry-relevant solutions. Driven by a core of diverse and passionate innovators working on cutting-edge solutions, NEXT Labs collaborates to craft solutions with leading academia, start-ups, and technology partners across the globe. It is closely tied with our delivery arm to ensure quick and successful application of our research to live client projects.

Some of our noteworthy innovations are:

Autocode.**AI**

A deep learning framework to automate code creation from unstructured inputs.

Optimize.**AI**

Builds better understanding of customer behavior and future engagements and enables AI-driven optimization of cost and performance. It also helps in identifying the most impactful areas for digital transformation initiatives.

NextSTEP™

A next-gen platform that orchestrates delivery frameworks, methodologies, tools, accelerators, reusable assets, best practices and automation to 'shrink the core' and achieve accelerated outcomes - in productivity, agility, cycle-time, service quality, customer experience and cost advantages.

A RESPONSIBLE HANDSHAKE WITH THE COMMUNITY

We are immensely proud of our responsible corporate citizenship, and the values we uphold in being so. 2018 saw us forge our activities in the worlds of differently-abled people, social sectors and education.

MPHASIS-NCPEDP Partnership wins **'Zero Project Innovative Practice' Award 2019, at UN, Vienna**

Our efforts to create a 'World Without Barriers' in partnership with NCPEDP (National Center for Promotion of Employment for Disabled People) won us recognition at Zero Project, UN, Vienna, for 'Innovative Practices'. The MPHASIS-NCPEDP partnership was recognized with the prestigious award for 'Strategic Lobbying and Engagement with Government to Push for National Disability Legislation'. This marks our first win on an international platform in the CSR space.

For six continuous years we have tirelessly worked on policy advocacy and played a major role in the enactment of the 'Rights of Persons with Disabilities Act' (RPWD) passed in 2016.

Mphasis and IIIT-B Center of Excellence (CoE) **for Cognitive Computing**

In collaboration with International Institute of Information Technology, Bangalore (IIIT-B), we set up a first of its kind 'Center of Excellence' (CoE) for Cognitive Computing. With an aim to leverage technology to address challenges faced by the social and enterprise sectors, the CoE will leverage cognitive computing to address issues related to education, enterprise and accessibility.

The Center will develop algorithms to enable real-time synthesis of Indian sign language, helping the deaf community to communicate more effectively, improve their quality of life and interaction. The Center will also work on proof of concepts, prototypes and research papers. All intellectual assets generated from the program will be an open source, accessible by everyone.

Mphasis-RHEF partnership set up **World-Class University at Mohali**

To create greater impact in the field of education, we have partnered with Reimagining Higher Education Foundation (RHEF) to set up Plaksha University, Punjab's second private university.

This world-class university is expected to be functional by 2021, and will have tie-ups with reputed international institutions such as UC Berkley, Purdue, Stanford. As a founding member, Mphasis will build accessible and inclusive infrastructure, research facilities and labs in the areas of AI and Machine Learning.

EXTERNAL VALIDATIONS

Industry analysts and influencers recognize us

Our competitive positioning in the market, and our above-market growth, have helped build credibility, and clients continue to vote for us with their business. Here are some of the recent recognitions and awards that we are proud to have received.

HFS

Ranked among Top 10 Google AI Services 2019

AVASANT CHALLENGER

Digital Masters RadarView™ 2019

GARTNER MAGIC QUADRANT NICHE PLAYER 2018

Life Insurance Policy Administration System

FORRESTER WAVE CONTENDER 2018

Mid-sized Digital Experience Agencies

ISG

Featured in Top 25 Digital Case Studies

Awards & Accolades

20 June, 2018
Mphasis CEO Nitin Rakesh wins the ‘2018 Outstanding 50 Asian Americans’ Award

28 June, 2018
Mphasis CEO Nitin Rakesh honored as Gold winner in the ‘Annual 2018 CEO World’ Award

09 August, 2018
Mphasis Veda Iyer wins CMO Asia’s ‘Women Leadership in Industry’ Award

11 September, 2018
Debashis Singh, CIO, Mphasis, recognized by IDG Group with ‘2018 CIO100’ Award for Excellence in Enterprise IT

25 October, 2018
Mphasis wins ‘Oracle Cloud Innovation’ Award in PaaS category at the Oracle OpenWorld for developing the ‘Time Entry Solution’ using Oracle PaaS

01 February, 2019
Mphasis’ DeepInsights™ received the ‘One Globe Award’ for Excellence in Research & Development by 2018 Stratus Award

06 February, 2019
Mphasis recognized as ‘Bangalore’s top 50 Hot Brands 2019’ at Paul Writer's Bengaluru Brand Summit & Hot Brands

27 February, 2019
Mphasis and the National Centre for Promotion of Employment for Disabled People (NCPEDP) win the ‘Zero Project 2019’ Award in the Innovation Practice category

15 March, 2019
Veda Iyer, CMO & Head Sales, APAC, recognized amongst ‘India’s Top 100 Women in Finance’ for 2019 by AIWMI

01 May, 2019
Mphasis CEO Nitin Rakesh included in Exhibit Magazine’s ‘Top 100 Tech Leaders’

07 May, 2019
Mphasis awarded the ‘Top 20 Most Innovative Practices – DivHERsity Programs’ by Jobsforher

14 May, 2019
Mphasis CEO Nitin Rakesh wins the ‘Gold Stevie® Award’ for Tech Innovator of the Year – Services, at the 17th Annual American Business Awards

PROOF OF SUCCESS
#StayAhead

Our #StayAhead brand refresh strategy accurately reflects who we had transformed into - the 'next applied' technology company with an unwavering commitment to digital transformation, innovation partnership and execution excellence. Driven by campaigns centered on digital media and thought leadership, we achieved phenomenal business outcomes in key areas of growth, analyst recognition and digital thought leadership.

Mphasis
@Mphasis

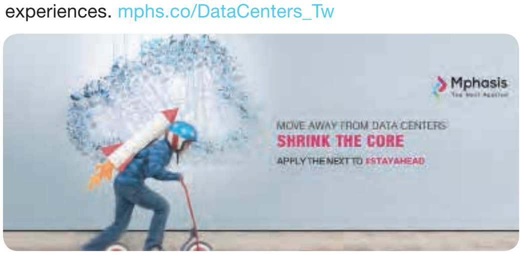
Every generation has a moment when it leaps into the future. In the era of #AI, our time is now. At Mphasis, we bring the T back into IT. Discover how we apply the next to help you #StayAhead and provide hyper-personalized experiences.
mphs.co/StayAhead_Tw

Mphasis
@Mphasis

In a world where Next-Gen technologies are changing consumer loyalties, enterprises need the right solutions to attract customers & improve speed to market. #StayAhead with Mphasis' Front2Back™ approach that enables hyper-personalized experiences.
mphs.co/AccelerateNow_...

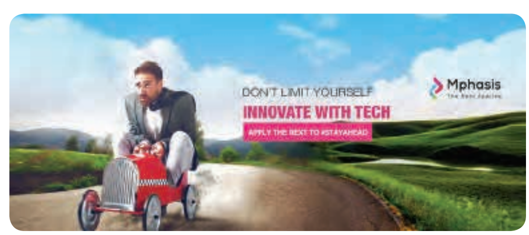
Mphasis
@Mphasis

Right cloud strategy is needed for enterprises to be agile & enter new markets fast. At Mphasis, we help you #StayAhead by harnessing the power of cloud & service transformation and reduce dependence on core systems to create hyper-personalized experiences. mphs.co/DataCenters_Tw



Mphasis
@Mphasis

Customer needs are continuously evolving; businesses need to play catch up. At Mphasis, we help you stay ahead by leveraging Data along with next-gen technologies to create hyper-personalized experiences. #StayAhead
Mphasis.com/home/our-appro



65% of the website traffic was generated through #StayAhead campaign and the average time spent on the Mphasis website during the campaign period was 3.37 minutes (against the IT industry average of 1.47 minutes).

BOARD OF DIRECTORS

Davinder Singh Brar
Chairman

Nitin Rakesh
Chief Executive Officer and Executive Director

N Kumar
Director

Jan Kathleen Hier
Director

David Lawrence Johnson
Director

Paul James Upchurch
Director

Amit Dixit
Director

Amit Dalmia
Director

Mr. Marshall Jan Lux
Director

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

VICE PRESIDENT AND
COMPANY SECRETARY
Subramanian Narayan

EXECUTIVE VICE PRESIDENT AND
CHIEF FINANCIAL OFFICER
V Suryanarayanan

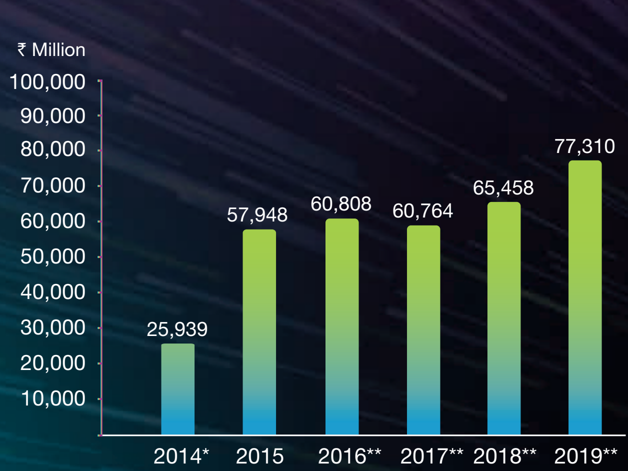
AUDITORS
BSR & Co. LLP
Maruthi Info-tech Centre
11-12/1, Inner Ring Road
Koramangala
Bengaluru – 560 071, India

REGISTERED OFFICE
Bagmane World Technology Center
Marathahalli Outer Ring Road
Doddanakundi Village, Mahadevapura
Bengaluru – 560 048, India
Tel: +91 80 6750 1000
Website: www.mphasis.com
CIN: L30007KA1992PLC025294

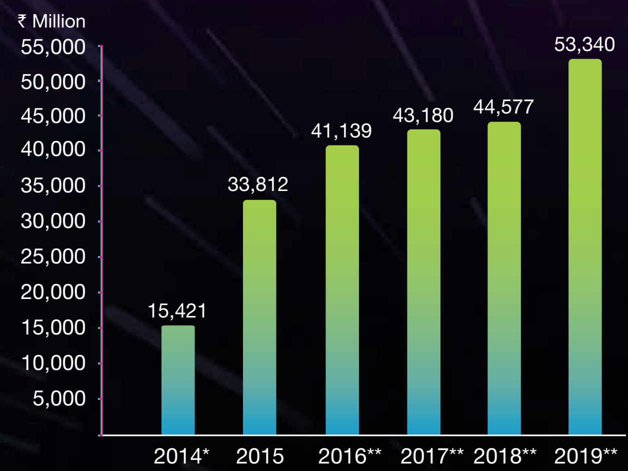
REGISTRAR & SHARE TRANSFER AGENT
Integrated Registry Management Services Pvt. Ltd.
(Unit: Mphasis Limited)
30, Ramana Residency
4th Cross, Sampige Road, Malleswaram
Bengaluru – 560 003, India
Tel: +91 80 2346 0815-818
Fax: +91 80 2346 0819
CIN: U65993TN1987PLC014964

KEY OPERATING METRICS

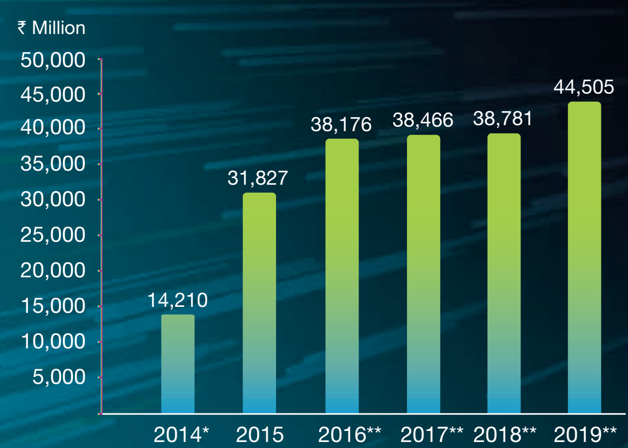
Net Revenue



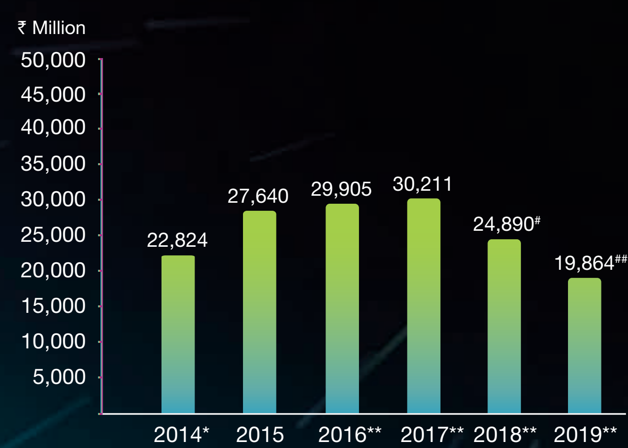
Direct International Revenue



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 and FY 2019 are under Ind AS framework and the figures for FY 2014 and FY 2015 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

MANAGEMENT DISCUSSION AND ANALYSIS OF RISKS AND CONCERNS

The Digital era is characterized by four important factors - Volatility, Uncertainty, Complexity and Ambiguity (VUCA) and it has become imperative to manage these four variables to be successful in business. This is more pronounced in the IT/ITES Industry where the digital technologies have brought a paradigm shift in the way business is done, in the way solutions are designed and in the business delivery models. Moreover, today's business environment is influenced by several global factors, both macro and micro, which have changed the ecosystem radically demanding a different capability for organizations to be successful. Understanding the importance of managing this world of VUCA, the Company has built-in this critical capability of risk management to benefit from the opportunities provided by these sweeping changes that have been witnessed across the globe. Risk management capabilities enable companies to improve their strategic decision-making process and enhance the operational performance in addition to providing strong assurance on protection and compliance.

In the light of the above, the Company has implemented an Enterprise Risk Management (ERM) program adhering to global standards and complying with the Indian Companies Act, 2013. The ERM program helps to proactively identify, 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 and 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.

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 6 times during the year ended 31 March 2019. 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.

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.

Global Business Environment– A Contemporary & Perspective View

The Company's operating environment is largely influenced by several macro factors – political, economic, social, technological, legal and environmental. Some of the important macro and global factors that pose challenges to the business are captured below:

1. Protectionist tendencies on the part of most of the developed countries is manifesting in the form of trade barriers, rules imposing restriction in offshoring, visa restrictions, Brexit 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 ability to offshore.
2. The global economy is facing turbulent times. There have been several indicators of a global recession as major economies are slowing. This is a single factor that can lead to reduced spending by companies in IT investments which can impact the growth of IT/ITES Industry.
3. Disruptive technologies, such as Robotic Process Automation and AI based solutions are growing while at the same time reducing the need for human resources to deliver certain services.
4. 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.

MANAGEMENT DISCUSSION AND ANALYSIS OF RISKS AND CONCERNS

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. A special program called Protect the Core (PTC) is purely aimed to mitigate this risk.

Geographical Concentration Risk: This risk was identified for mitigation as major 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. Focused efforts are afoot to grow Europe which should address this risk.

Risk of Capability Obsolescence

Continued growth and success of the Company depends upon its ability to cater to growing customer demands. The Company has embarked on a transformation journey in which the focus has been to provide new generation services (which includes, Digital, Mobility, Cloud, Cognitive, Artificial Intelligence, etc.). By implementing solutions/offerings like Service Transformation (ST), Front to Back (F2B™) and Anything to Cloud powered by Cognitive (X2C2™) the Company has ensured that this risk is mitigated. In addition to the above, the Company has acquired Stelligent, a company which partners with AWS (Amazon Web Services) to provide new-gen services to several Fortune 500 clients, thereby mitigating this risk.

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

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 initiate steps 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. Talent Next program which got launched during the year, focused 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.

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.

MANAGEMENT DISCUSSION AND ANALYSIS OF RISKS AND CONCERNS

Risk of not meeting Service Level Agreements

A subset of the above risk is the risk of not meeting 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.

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.

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 Mphasis Risk Management Committee and reported to the Audit Committee of the Board.

PTC framework: A framework has been rolled-out for key accounts which is reviewed periodically by management.

Financial and 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 man-made 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 man-made and natural calamities during last year.

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. During the year, the Company implemented certain highly sophisticated technology security solutions to deftly ward off the threat of data breaches and cyber-attacks. 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. 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.

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 law suits 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 new, yet stringent privacy regulation from European Union, the General Data Protection Regulation, poses significant compliance risk to all companies accessing EU subjects' personal information. The Company has taken special measures to comply with the requirements of the new law and the project has been completed. These measures are periodically audited and reported to the Audit Committee of the Board.

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

A framework has been implemented to ensure compliance to sanctions regulations. The Company has established a 'screening' protocol for potential and actual 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. During the year, the Company has implemented a comprehensive framework to ensure compliance to sanction regulations.

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.

INDEPENDENT AUDITOR'S REPORT

To the Members of Mphasis Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Mphasis Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2019, 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 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 2019, 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'), and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 115 – Revenue from Contracts with Customers	
As described in Note 22 to the consolidated financial statements, the Group has adopted Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115'), the new standard on revenue recognition. The application and transition to this accounting standard is complex and is an audit focus area. The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue should be recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of the transaction price, allocation of the transaction price to identified performance obligations, and the appropriateness of the revenue recognition methodology. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. The Group adopted Ind AS 115 and applied the available exemption provided therein, to not restate the comparative periods.	Our audit procedures on adoption of Ind AS 115, Revenue from contracts with Customers ('Ind AS 115'), the new standard on revenue recognition, include the following – • Evaluated the design and implementation of the processes and internal controls relating to implementation of the new revenue recognition standard • Evaluated the detailed analysis performed by management across revenue streams by selecting samples for the existing contracts with customers and verified the appropriateness of identification of distinct performance obligations, determination of the transaction price, allocation of the transaction price to identified performance obligations and the appropriateness of the revenue recognition methodology • Evaluated the appropriateness of the adjustments recorded by management as at 1 April 2018 to transition to the new revenue standard, using the cumulative effect method; and • Evaluated the appropriateness of the accounting policy and disclosures provided under the new revenue standard and assessed the completeness and mathematical accuracy of the relevant disclosures.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

The key audit matter	How the matter was addressed in our audit
Evaluation of tax litigations	
The Group operates in multiple jurisdictions 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. These involve significant management judgment to determine the possible outcome of the tax litigations, consequently having an impact on related accounting and disclosures in the financial statements. Refer Note 21 to the financial statements.	Our audit procedures include the following substantive procedures: • Obtained an understanding of key tax litigations and potential tax exposures • We along with our internal tax experts - ▪ read and analyzed select key correspondences and consultations carried out by management with external tax experts for key tax litigations and potential tax exposures ▪ discussed with appropriate senior management and evaluated management's underlying key assumptions and grounds of appeal in estimating the tax provisions; and ▪ evaluated the status of the recent and current tax assessments / inquiries, results of previous tax assessments and changes in the tax environment to assess management's estimate of the possible outcome of key tax litigations and potential tax exposures.
Business combinations	
As described in Note 5 to the financial statements, during the current year, the Group completed a business combination in this year. Ind AS 103 – Business Combinations, requires that consideration be given to the existence and measurement of separable identifiable intangible assets that have been acquired as part of each business combination. A significant proportion of the purchase price has been attributed to goodwill and other identified intangible assets, the valuation of which is dependent on cash flow forecasts including future business growth and the application of an appropriate discount rate, which are inherently subjective and therefore an area of focus for audit.	Our audit procedures on accounting for business combinations include the following: • Evaluated the design and implementation of the processes and internal controls relating to accounting for the business combination; • Obtained the cash flow forecasts supporting the valuation of the intangible assets identified and assessed if these are reasonable; • We along with our internal valuation specialists evaluated the reasonableness of methodology and key assumptions used by management along with their external valuers to value each intangible asset; • Re-computed the deferred tax liabilities arising on the acquired intangible assets and verified if the appropriate tax rates have been considered; and • Evaluated the appropriateness of the disclosures in the financial statements and assessed the completeness and mathematical accuracy of the relevant disclosures.
Impairment of goodwill	
Goodwill is a significant item on the balance sheet and management performs impairment testing for goodwill annually. In performing such impairment assessments, management compared 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.	Our audit procedures on testing for goodwill impairment includes the following: • Evaluated the design and implementation of the processes and internal controls relating to impairment of non-financial assets including, goodwill; • Evaluated management'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 prevailing accounting standards;

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

The key audit matter	How the matter was addressed in our audit
Impairment of goodwill (Continued)	
The discounted cash flow method involves estimating future cash flows, growth rates and discount rates which require significant management judgement. Refer Note 4 to the consolidated financial statements.	• Evaluated appropriateness of key assumptions included in the cash flow forecasts used in computing recoverable amount of each CGU, such as, growth rates, profitability, discount rates, etc, with reference to our understanding of their business and historical trends; • Engaged internal valuation specialists to evaluate the appropriateness of methodology used to compute the recoverable amount of the CGU and the key underlying assumptions; • Evaluated the appropriateness of the disclosure in the 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.

Responsibilities of Management and Those Charged with Governance 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 and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring 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 Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

INDEPENDENT AUDITOR'S 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 company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (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 or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities.

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.

Other Matter

Corresponding figures of the Group for the year ended 31 March 2018 have been audited by another auditor who expressed an unmodified opinion dated 10 May 2018 on the consolidated financial statements of the Group for the year ended 31 March 2018.

Our opinion on the consolidated financial statements is not modified in respect of the above matter.

INDEPENDENT AUDITOR’S 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 and its subsidiaries which are incorporated in India, as on 31 March 2019 and taken on record by the Board of Directors of the respective companies, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2019 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 2019 on the consolidated financial position of the Group. Refer Note 29 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 Notes 18 to the consolidated financial statements in respect of such items as it relates to the Group.

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 2019.

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 2019.

C. With respect to the matter to be included in the Auditors’ report under Section 197(16):

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 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 limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) 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

Paris
27 May 2019

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Annexure A to the Independent Auditors' report on the consolidated financial statements of Mphasis Limited for the year ended 31 March 2019

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 the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of Mphasis Limited ((hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Act which are its subsidiary companies as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, 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 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.

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 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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Annexure A to the Independent Auditors' Report (Continued)

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 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 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
Membership No: 060154

Paris
27 May 2019

CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEET

(₹ million)

	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,201.94	874.66
Capital work-in-progress		15.77	19.15
Goodwill	4	19,584.55	17,014.72
Other intangible assets	6	910.84	950.88
Intangible assets under development		13.41	3.40
Financial assets			
Investments	7	2,591.88	3,169.22
Trade receivables	8	10.60	10.60
Loans	9	708.98	1,139.84
Other financial assets	10	635.08	77.02
Deferred tax assets (net)	21	813.82	1,056.82
Income tax assets (net)	21	5,230.88	4,570.34
Other assets	11	962.35	1,506.51
Total non-current assets		**32,680.10**	**30,393.16**
Current assets			
Financial assets			
Investments	12	10,700.33	14,651.46
Trade receivables	8	9,553.68	8,116.34
Unbilled receivables (previous year: unbilled revenue)		8,933.43	5,432.82
Loans	9	1,256.92	824.09
Cash and cash equivalents	13.a	3,519.78	4,641.76
Bank balances other than cash and cash equivalents	13.b	2,896.31	2,425.47
Other financial assets	10	659.30	567.85
Other assets	11	3,510.77	2,800.42
Total current assets		**41,030.52**	**39,460.21**
TOTAL ASSETS		**73,710.62**	**69,853.37**

CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEET

(₹ million)

	Notes	As at 31 March 2019	As at 31 March 2018
EQUITY AND LIABILITIES			
Equity			
Share capital	14	1,862.26	1,932.67
Other equity	15	50,635.92	52,885.15
Total equity		**52,498.18**	**54,817.82**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	16	39.91	38.15
Employee benefit obligations	17	782.22	523.37
Provisions	18	-	50.00
Deferred tax liabilities (net)	21	27.96	49.71
Income tax liabilities (net)	21	298.90	311.00
Other liabilities	19	126.12	43.62
Total non-current liabilities		**1,275.11**	**1,015.85**
Current liabilities			
Financial liabilities			
Borrowings	20	5,425.92	3,898.80
Trade payables			
- outstanding dues to micro and small enterprises		4.87	5.98
- outstanding dues to creditors other than micro and small enterprises		7,845.56	5,017.94
Other financial liabilities	16	2,785.42	1,802.87
Employee benefit obligations	17	642.79	730.63
Provisions	18	83.23	245.80
Income tax liabilities (net)	21	1,365.71	871.95
Other liabilities	19	1,783.83	1,445.73
Total current liabilities		**19,937.33**	**14,019.70**
TOTAL EQUITY AND LIABILITIES		**73,710.62**	**69,853.37**
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

Paris
27 May 2019

for **and on behalf of the Board of Directors**

Nitin Rakesh
Chief Executive Officer

Narayanan Kumar
Director

V. Suryanarayanan
Executive Vice President &
Chief Financial Officer

Subramanian Narayan
Vice President & Company Secretary

Paris
27 May 2019

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ million)

	Notes	Year ended 31 March 2019	Year ended 31 March 2018
Income			
Revenue from operations	22	77,309.80	65,458.36
Other income	23	1,767.07	1,620.96
Total income (I)		**79,076.87**	**67,079.32**
Expenses			
Employee benefits expense	24	42,986.91	38,179.27
Finance costs	25	173.69	129.96
Depreciation and amortization expense	26	758.44	708.21
Other expenses	27	21,084.57	16,655.36
Total expenses (II)		**65,003.61**	**55,672.80**
Profit before exceptional item and tax (III) [(I)-(II)]		**14,073.26**	**11,406.52**
Exceptional item (net of tax) (IV)	42	-	130.78
Profit before tax (III)-(IV)		**14,073.26**	**11,275.74**
Tax expenses	21		
Current tax		3,191.46	3,159.48
Deferred tax		148.26	(258.73)
Total tax expenses		**3,339.72**	**2,900.75**
Profit for the year before exceptional item		**10,733.54**	**8,505.77**
Profit for the year after exceptional item (A)		**10,733.54**	**8,374.99**
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		1,044.63	249.18
Net change in fair value of derivatives designated as cash flow hedges		272.82	(800.62)
Income tax effect on the above		(92.87)	275.85
Items not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains / (losses) on defined employee benefit plans		4.40	(33.90)
Income tax effect on the above		(1.24)	12.35
Total OCI for the year, net of tax (B)		**1,227.74**	**(297.14)**
Total comprehensive income for the year (A+B)		**11,961.28**	**8,077.85**

CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ million)

	Notes	Year ended 31 March 2019	Year ended 31 March 2018
Profit for the period attributable to:			
Equity owners of the Company		10,733.54	8,374.99
Non-controlling interests		-	-
		10,733.54	**8,374.99**
Total comprehensive income for the year attributable to:			
Equity owners of the Company		11,961.28	8,077.85
Non-controlling interests		-	-
		11,961.28	**8,077.85**
Earnings per equity share before exceptional item (par value ₹ 10 per share)	28		
Basic (₹)		56.05	43.32
Diluted (₹)		55.50	43.26
Earnings per equity share after exceptional item (par value ₹ 10 per share)	28		
Basic (₹)		56.05	42.66
Diluted (₹)		55.50	42.59
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

for **and on behalf of the Board of Directors**

Amit Somani
Partner
Membership No. 060154

Nitin Rakesh
Chief Executive Officer

Narayanan Kumar
Director

V. Suryanarayanan
Executive Vice President &
Chief Financial Officer

Subramanian Narayan
Vice President & Company Secretary

Paris
27 May 2019

Paris
27 May 2019

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 2017	**210.42**	**2,104.24**
Issue of shares	0.21	2.13
Equity shares extinguished on buy back [refer note 14 (d) (ii a)]	(17.37)	(173.70)
As at 31 March 2018	**193.26**	**1,932.67**
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**

b. Other equity

(₹ million)

	Attributable to the equity owners of the Company										
	Reserves and surplus								Items of OCI		
	Securities premium (1)	General reserve (2)	Retained earnings (3)	Capital reserve (4)	Capital redemption reserve ('CRR') (5)	Special Economic Zone re-investment reserve (6)	Share based payments (7)	Treasury shares (8)	Hedging reserve (9)	Foreign currency translation reserve (10)	Total
As at 1 April 2017	**1,654.10**	**6,596.04**	**45,835.25**	**361.39**	**4.75**	**-**	**190.47**	**(0.45)**	**761.67**	**4,016.60**	**59,419.82**
Profit for the year	-	-	8,374.99	-	-	-	-	-	-	-	**8,374.99**
Other comprehensive income	-	-	(21.55)	-	-	-	-	-	(524.77)	249.18	**(297.14)**
Dividends *	-	-	(3,951.45)	-	-	-	-	-	-	-	**(3,951.45)**
Buy back of equity shares [refer note 14 (d) (ii a)]	(1,654.10)	(6,576.85)	(2,799.05)	-	173.70	-	-	-	-	-	**(10,856.30)**
Buy back expenses	-	-	(30.34)	-	-	-	-	-	-	-	**(30.34)**
Transfer to general reserve	-	739.89	(739.89)	-	-	-	-	-	-	-	**-**
Share based expenses	-	-	-	-	-	-	199.02		-	-	**199.02**
Issue of shares on exercise of stock options	95.18	2.18	-	-	-	-	(71.26)	0.45	-	-	**26.55**
As at 31 March 2018	**95.18**	**761.26**	**46,667.96**	**361.39**	**178.45**	**-**	**318.23**	**-**	**236.90**	**4,265.78**	**52,885.15**

* Including dividend distribution tax amounting to ₹ 668.37 million.

	Securities premium (1)	General reserve (2)	Retained earnings (3)	Capital reserve (4)	Capital redemption reserve ('CRR') (5)	Special Economic Zone re-investment reserve (6)	Share based payments (7)	Treasury shares (8)	Hedging reserve (9)	Foreign currency translation reserve (10)	Total
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 14 (d) (ii b)]	(176.59)	(743.89)	(8,962.27)	-	73.21	-	-	-	-	-	**(9,809.54)**
Buy back expenses	-	-	(66.44)	-	-	-	-	-	-	-	**(66.44)**
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)	-	-	-	-	**-**
Transfer to general reserve		769.43	(769.43)	-	-	-	-	-	-	-	**-**
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**

* Including dividend distribution tax amounting to ₹ 794.88 million.

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:

1. **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.
2. **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.
3. **Retained earnings** - Retained earnings comprises of prior and current year's undistributed earnings after tax.
4. **Capital reserve** - Represents receipt of ₹ 265.16 million 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.
5. **Capital Redemption Reserve** - 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.
6. **Special Economic 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.
7. **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.
8. **Treasury shares** - Represents equity shares of the Company held by the controlled trusts. These are recorded at cost.
9. **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.
10. **Foreign currency translation reserve** - 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.

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

Paris
27 May 2019

for **and on behalf of the Board of Directors**

Nitin Rakesh
Chief Executive Officer

Narayanan Kumar
Director

V. Suryanarayanan
Executive Vice President &
Chief Financial Officer

Subramanian Narayan
Vice President & Company Secretary

Paris
27 May 2019

CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CASH FLOWS

(₹ million)

	Year ended 31 March 2019	Year ended 31 March 2018
Operating activities		
Profit before tax	**14,073.26**	**11,406.52**
Adjustments to reconcile profit before tax to net cash provided by operating activities:		
Depreciation and amortization expense	758.44	708.25
Utilization of the rent equalisation reserve	402.88	558.50
Profit on sale of property, plant and equipment and intangible assets	(27.37)	(4.53)
Net gain on investments carried at fair value through profit and loss	(1,196.12)	(1,208.06)
Amortized cost of deposits	(5.05)	(6.35)
Share based payment expenses	226.45	199.02
Provision for expected credit loss	117.33	(33.16)
Finance costs	173.69	100.98
Interest income	(271.73)	(196.71)
Dividend income	(0.04)	(22.45)
Unrealized exchange loss, net	93.01	16.93
Operating profit before working capital changes	**14,344.75**	**11,518.94**
Working capital changes		
(Increase) / decrease in trade receivables and unbilled receivables	(4,630.51)	(1,666.44)
(Increase) / decrease in loans	80.16	(57.78)
(Increase) / decrease in other financial assets	(97.64)	(729.27)
(Increase) / decrease in other assets	(513.16)	(248.46)
Increase / (decrease) in trade payables	2,807.37	1,114.75
Increase / (decrease) in other financial liabilities	669.82	68.96
Increase / (decrease) in provisions and employee benefit obligations	(45.31)	(398.39)
Increase / (decrease) in other liabilities	308.24	414.16
Total working capital changes	**(1,421.03)**	**(1,502.47)**
Income tax paid (net of refunds)	(3,426.51)	(2,783.30)
Net cash flows generated from operating activities (A)	**9,497.21**	**7,233.17**

CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CASH FLOWS

(₹ million)

	Year ended 31 March 2019	Year ended 31 March 2018
Investing activities		
Purchase of property, plant and equipment and intangible assets	(848.90)	(327.05)
Proceeds from sale of property, plant and equipment and intangible assets	34.07	13.77
Purchase of investments	(71,352.58)	(74,342.54)
Sale of investments	77,077.21	81,708.82
Interest received	304.74	177.30
Dividends received	0.04	22.45
Re-investment of dividend	(0.04)	(22.45)
Payment for business acquisition, net of cash acquired (₹ 2.09) (refer note 5)	(1,696.36)	-
Investments in bank deposits	(2,566.89)	(2,305.62)
Redemption / maturity of bank deposits	1,941.69	0.46
Net cash flows generated from investing activities (B)	**2,892.98**	**4,925.14**
Financing activities		
Proceeds from issue of shares	103.69	28.72
Payment towards buy back of shares (including buy-back expenses ₹ 66.44 and ₹ 30.34 respectively)	(9,949.19)	(11,060.34)
Repayment of borrowings	(19,034.54)	(4,696.03)
Availment of borrowings	20,280.11	5,977.15
Interest paid	(162.94)	(97.63)
Dividends paid (including tax on dividend of ₹ 794.88 and ₹ 668.37 respectively)	(4,654.82)	(3,949.29)
Net cash flows used in financing activities (C)	**(13,417.69)**	**(13,797.42)**
Net decrease in cash and cash equivalents (A+B+C)	**(1,027.50)**	**(1,639.11)**
Effect of exchange rate changes	(94.48)	148.21
Cash and cash equivalents at the beginning of the year	4,641.76	6,132.66
Cash and cash equivalents at the end of the year [refer note 13 (a)]	**3,519.78**	**4,641.76**

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

Paris
27 May 2019

for **and on behalf of the Board of Directors**

Nitin Rakesh
Chief Executive Officer

Narayanan Kumar
Director

V. Suryanarayanan
Executive Vice President &
Chief Financial Officer

Subramanian Narayan
Vice President & Company Secretary

Paris
27 May 2019

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 2019. 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, multicultural organisation headquartered in Bengaluru, India, specialises in providing a suite of application development and maintenance services, infrastructure outsourcing services and business & knowledge process outsourcing solutions to clients around the world.

The consolidated financial statements for the year ended 31 March 2019 have been approved by the Company's Board of Directors on 27 May 2019.

List of subsidiaries with percentage holding % of holding

Subsidiaries	Country of incorporation	Parent	31 March 2019	31 March 2018
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 ('Mphasis Shanghai')	China	Mphasis Limited	100	100
Mphasis Consulting Limited	United Kingdom	Mphasis Limited	100	100
Mphasis Ireland Limited	Ireland	Mphasis Limited	100	100
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 5]	USA	Mphasis Corporation	100	-

* Forms part of Digital Risk group.

The principal activities of the above 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.

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 the Companies (Indian Accounting Standards) Rules (as amended from time to time).

2. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

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

- Derivative financial instruments
- Investments classified as Fair Value Through Profit or Loss ('FVTPL').
- Fair value 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 Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except for the adoption of Ind AS 115 – Revenue from Contracts with Customers, which was adopted with effect from 1 April 2018.

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 COMBINATION 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 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.

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

Business combinations arising from transfers of interests in entities that are under the common control are accounted using pooling of interest 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 combination.

USE OF ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the consolidated financial statements in conformity with Ind AS requires the 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 reported. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised, and future periods are affected.

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 the management. Changes in these judgments, estimates and assumptions can materially affect the results of operations. (refer note 5).

- **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 of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. 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 4 and 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. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group Company's domicile. A tax assessment could involve complex issues, which can only be resolved over extended time periods. (refer note 21).

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, the 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 interval in response to demographic changes. Future salary increases and gratuity 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.

- **Revenue recognition**

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

REVENUE RECOGNITION

Policy applicable from 1 April 2018

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 which establishes a comprehensive framework for determining whether, how much and when revenue is recognized. Ind AS 115 replaces Ind AS 18 Revenue, Ind AS 11 Construction Contracts and related interpretations. The Group has adopted Ind AS 115 using the cumulative effect method (without the practical expedient), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018). Under this transition method, the standard is applied retrospectively only to contracts that are not completed as at the date of initial application, and the comparative information is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The adoption of the standard did not have any material impact on the financial statements of the Group.

- Revenues 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.
- Revenue from license transactions is 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) / Service Tax / Goods and Service 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. Other contract assets have been disclosed as contract assets within other assets. 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 stand-alone 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 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 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 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 33), services rendered, delivery location and project type (refer note 34).

Policy applicable before 1 April 2018

Refer note 2 “Significant Accounting Policies” in the Group’s consolidated financial statements as at and for the year ended 31 March 2018 for the accounting policies that were in effect for revenues recognized prior to 1 April 2018.

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 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. 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 Group.

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 and intangible assets is calculated on a straight-line basis using the rates arrived at, based on the useful lives estimated by the 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 the 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 primary 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, the 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

Group as a lessee

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Operating lease payments are recognised in the statement of profit and loss on a straight-line basis over the lease term, unless the lease agreement explicitly states that increase is because of inflation.

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalised at the fair value of the leased asset or the present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recorded as finance costs in the consolidated statement of profit or loss and other comprehensive income.

Assets acquired under finance lease are depreciated over the shorter of the estimated useful life of the asset and the lease term.

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 FVTOCI, 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.
  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 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 and other comprehensive income. 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 factoring arrangements are derecognized in accordance with Ind AS 109.

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 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 and other comprehensive income.

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 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 statement of profit and loss. The gain or loss on disposal is recognized in the statement of profit and loss.

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

e. **Other financial assets**

Other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. These are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any impairment losses. These comprise trade receivables, unbilled receivables, deposits with banks and other assets.

f. **Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest 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 contract 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 statement of profit and loss as expenses.

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

a. **Cash flow hedge accounting**

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 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 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 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 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.

d. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amounts are presented in the statement of financial position 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 37).

When a quote 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 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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 and other comprehensive income 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. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognised in OCI are not to be subsequently reclassified to 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.

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 and other comprehensive income. 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 branches 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 (SBP) 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 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 settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the 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.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the exchange rate in effect on the balance sheet date.

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 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 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. 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 statement of comprehensive income 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 SEZs, 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 reverse after the tax holiday ends.

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 a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each 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 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 statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

STANDARDS/PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Group has not applied as they are effective from 1 April 2019.

Ind AS 116 – Leases

Ind AS 116 will replace the current guidance in Ind AS 17, 'Leases'. Ind AS 116 defines a lease as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Group will adopt Ind AS 116 with effect from annual reporting periods beginning on 1 April 2019. The Group has chosen to apply the standard retrospectively, with the cumulative effect of initially applying the standard, recognized on the date of initial application i.e. 1 April 2019. Accordingly, the Group will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019. On that date, the Group will recognise 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 date, but discounted using the lessee's incremental borrowing rate as at 1 April 2019. In accordance with the standard, the Group will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Group will be using the practical expedient provided by the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Group will recognise with effect from 1 April 2019 new assets and liabilities for its operating leases of premises and other assets.

Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. Under Ind AS 116, the nature of expenses related to those leases will change from lease rent in previous periods to amortisation charge for the right- to use asset and interest accrued on lease liability.

The Group is evaluating the effect of Ind AS 116 on its consolidated financial statements.

Ind AS 19, 'Employee Benefits'

Limited amendments to Ind AS 19 in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. These amendments will apply to any future plan amendments, curtailments, or settlements of the Group on or after 1 April 2019. The Group does not expect this amendment to have any significant impact on its financial statements.

Ind AS 103, 'Business Combinations'

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Group will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group is evaluating the effect of the said amendment on its consolidated financial statements.

Amendment to Ind AS 12 – 'Income Taxes'

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is akin to taxes paid on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12. The Company is evaluating the effect of the said amendment on its consolidated financial statements.

3. PROPERTY, PLANT AND EQUIPMENT

(₹ million)

	Plant and equipment	Computer equipment	Servers and networks	Office equipment	Furniture and fixtures	Vehicles	Leasehold improve-ments	Total
Cost								
At 1 April 2017	185.83	547.02	619.49	132.45	177.63	84.67	143.37	1,890.46
Additions	16.99	137.71	72.51	13.27	10.93	-	7.85	259.26
Disposals	(31.99)	(4.25)	(56.16)	(0.22)	(3.11)	(15.57)	(1.36)	(112.66)
Translation exchange differences	2.09	3.87	4.68	0.58	0.59	-	0.66	12.47
At 31 March 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 5)	-	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
Depreciation								
At 1 April 2017	106.67	218.25	240.88	51.86	94.02	29.12	108.82	849.62
Charge for the year	29.83	180.05	111.82	26.95	35.39	17.35	20.34	421.73
Disposals	(31.91)	(4.19)	(52.14)	(0.21)	(3.03)	(11.97)	(1.36)	(104.81)
Translation exchange differences	1.95	2.28	3.14	0.37	0.34	-	0.25	8.33
At 31 March 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
Net block								
At 31 March 2018	66.38	287.96	336.82	67.11	59.32	34.60	22.47	874.66
At 31 March 2019	74.91	280.74	379.60	93.12	78.66	27.49	267.42	1,201.94

(₹ million)

	As at 31 March 2019	As at 31 March 2018
4. GOODWILL		
Balance as per previous financial statements	17,014.72	16,977.88
Acquisition through business combination (refer note 5)	1,525.25	-
Translation exchange differences	1,044.58	36.84
	19,584.55	**17,014.72**

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 2019	As at 31 March 2018
Digital Risk	8,412.53	7,904.65
Wyde	3,876.77	3,642.72
Eldorado	1,222.07	1,148.21
Infrastructure Services	1,936.90	1,819.97
Stelligent (refer note 5)	1,511.69	-
Business outsourcing	2,178.54	2,044.59
Consulting	446.05	454.58
	19,584.55	**17,014.72**

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 fair value of a CGU is determined based on the market capitalization. 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.

	Year ended 31 March 2019	Year ended 31 March 2018
Growth rate	1% to 21%	2% to 25%
Operating margins	15% to 33%	13% to 31%
Discount rate	14% to 15%	13% 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 2018: ₹ nil).

5. BUSINESS COMBINATION

On 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.

CONSOLIDATED FINANCIAL STATEMENTS

The Group has finalized purchase price allocation during the quarter 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. Trade receivables are expected to be collected in full.

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

Had the above acquisition occurred on 1 April 2018, management estimates that the consolidated revenue would have been higher by approximately ₹ 435.00 million and no material impact on the profits for the year ended 31 March 2019. The pro-forma amounts are not necessarily indicative of the results that would have occurred if the acquisition had occurred on date indicated or that may result in the future.

6. OTHER INTANGIBLE ASSETS

	Software	Customer contracts	Non compete agreement	Business alliance partnership	Others	Total
Cost						
At 1 April 2017	**1,470.68**	**469.91**	**125.20**	**-**	**149.05**	**2,214.84**
Additions	48.36	-	-	-	-	**48.36**
Disposals	(8.04)	-	-	-	-	**(8.04)**
Translation exchange differences	-	(0.43)	(0.12)	-	(0.14)	**(0.69)**
At 31 March 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**
Depreciation						
At 1 April 2017	**317.38**	**469.91**	**85.85**	**-**	**149.05**	**1,022.19**
Charge for the year	247.54	-	38.98	-	-	**286.52**
Disposals	(6.59)	-	-	-	-	**(6.59)**
Translation exchange differences	1.79	(0.43)	0.25	-	(0.14)	**1.47**
At 31 March 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**
Net block						
At 31 March 2018	**950.88**	**-**	**-**	**-**	**-**	**950.88**
At 31 March 2019	**819.85**	**32.85**	**9.72**	**45.68**	**2.74**	**910.84**

	As at 31 March 2019			As at 31 March 2018		
	Units	NAV (₹)	₹ million	Units	NAV (₹)	₹ million
7. NON-CURRENT INVESTMENTS						
Investments carried at amortized cost						
Quoted bonds						
7.19% India Infrastructure Finance Company Limited	5,99,500	1,000	599.50	9,29,500	1,000	929.50
7.11% Power Finance Corporation Ltd.	-	-	-	25,670	1,000	25.67
7.21% Power Finance Corporation Ltd.	-	-	-	100	10,00,000	100.00
7.21% India Infrastructure Finance Company Limited	-	-	-	100	10,00,000	100.00
8.10% Housing and Urban Development Corporation	-	-	-	50,000	1,000	50.00
7.34% Housing and Urban Development Corporation	-	-	-	50,000	1,000	50.00
Quoted fixed maturity plan securities						
Aditya Birla Sun Life FTP – Series PC Direct growth	4,00,00,000	10.8975	435.90	4,00,00,000	10.1175	404.70
Aditya Birla Sun Life FTP – Series PH Direct growth	2,00,00,000	10.8334	216.67	2,00,00,000	10.0534	201.07
ICICI Prudential Fixed Maturity Plan	2,50,00,000	10.8578	271.45	2,50,00,000	10.0198	250.50
Kotak FMP Series 219	2,00,00,000	10.8292	216.58	2,00,00,000	10.0491	200.98
Reliance Fixed Horizon Fund	1,50,00,000	10.8185	162.28	1,50,00,000	10.0384	150.58
IDFC Yearly Interval Plan	89,48,775	16.3324	146.15	1,32,51,753	15.1960	201.37
Reliance Yearly Interval Fund - Series 1 Direct growth	3,33,52,900	16.2910	543.35	3,33,52,900	15.1367	504.85
			2,591.88			**3,169.22**
Aggregate value of quoted non-current investments			2,591.88			3,169.22

(₹ million)

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
8. TRADE RECEIVABLES				
Unsecured				
Considered good	10.60	10.60	9,639.86	8,116.34
Allowances for doubtful receivables	-	-	(86.18)	-
Credit impaired	-	-	439.79	433.90
Allowance for doubtful receivables	-	-	(439.79)	(433.90)
	10.60	**10.60**	**9,553.68**	**8,116.34**

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
9. LOANS				
Unsecured - considered good				
Deposits	708.98	1,139.84	1,155.54	718.73
Employee advances	-	-	101.38	105.36
	708.98	**1,139.84**	**1,256.92**	**824.09**

(₹ million)

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
10. OTHER FINANCIAL ASSETS				
Unsecured - considered good				
Non-current bank balances (refer note 13.b) *	156.30	1.94	-	-
Accrued interest	-	-	46.26	79.27
Derivative assets	478.78	75.08	580.56	444.42
Others	-	-	32.48	44.16
	635.08	**77.02**	**659.30**	**567.85**

* Includes restricted deposits of ₹ 33.69 million (31 March 2018: ₹ nil).

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
11. OTHER ASSETS				
Unsecured - considered good				
Rent equalization reserve	5.63	25.10	53.62	354.09
Contract assets	-	-	133.28	-
Employee advances	-	-	24.35	-
Capital advances	376.38	375.97	-	-
Prepaid expenses	329.81	51.66	884.02	837.11
Advances to suppliers	-	-	901.72	957.08
Indirect tax recoverable	250.53	1,053.78	1,513.78	652.14
	962.35	**1,506.51**	**3,510.77**	**2,800.42**

CONSOLIDATED FINANCIAL STATEMENTS

	As at 31 March 2019			As at 31 March 2018		
	Units	NAV (₹)	₹ million	Units	NAV (₹)	₹ million
12. CURRENT INVESTMENTS						
Investments carried at FVTPL						
Unquoted mutual funds						
ABSL Liquid fund - Growth	39,851	300.44	11.97	6,052,163	279.3146	1,690.46
Reliance Liquid Fund - Treasury Plan Direct growth	10,703	4,561.89	48.83	347,180	4,239.8015	1,471.97
Kotak Equity Arbitrage Fund Direct growth	69,123,872	27.2030	1,880.38	69,123,872	25.5148	1,763.68
Reliance Arbitrage Advantage fund	96,160,317	19.5712	1,881.97	68,919,338	18.2963	1,260.97
ABSL Money manager Fund Direct	2,796,962	251.6048	703.73	-	-	-
HDFC Ultrashort term	33,767,842	10.4744	353.70	-	-	-
IDFC Cash fund	876,259	2,266.5228	1,986.06	-	-	-
IDFC Corporate Bond Fund	59,071,398	12.8602	759.67	-	-	-
Kotak Floater Short Term - Direct Plan growth	-	-	-	350,403	2,851.9553	999.33
L&T Liquid Fund Direct Plan growth	-	-	-	592,437	2,382.8749	1,411.70
Birla Sun Life Banking & PSU Debt -Direct Plan	-	-	-	19,422,529	52.4169	1,018.07
DSP BlackRock FMP Series 222	-	-	-	25,000,000	10.0771	251.93
HDFC FMP 92D	-	-	-	25,000,000	10.0732	251.83
Kotak FMP Series 218 Direct growth	-	-	-	25,000,000	10.0747	251.87
Reliance Fixed Horizon Fund XXXVI series 4	-	-	-	50,000,000	10.0811	504.06
Quoted debentures						
Citicorp Finance (India) Ltd.	18,500	107,870.00	1,995.60	36,000	102,829.72	3,701.87
Citicorp Finance (India) Ltd.	10,000	99,980.00	999.80	-	-	-
Quoted bonds						
0 % NABARD 2020	1,700	17,818.14	30.29	1,700	16,671.70	28.34
0 % REC 2020	1,830	26,410.77	48.33	1,830	24,795.60	45.38
			10,700.33			**14,651.46**
Aggregate value of quoted current Investments			3,074.02			3,775.59
Aggregate net asset value of mutual fund investments			7,626.31			10,875.87

(₹ million)

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
13. CASH AND CASH EQUIVALENTS *				
a. Balances with banks:				
In current accounts	-	-	2,939.25	3,126.01
Deposits with original maturity of less than 3 months	-	-	559.80	1,502.05
Unclaimed dividend	-	-	20.72	13.67
Cash on hand	-	-	0.01	0.03
	-	**-**	**3,519.78**	**4,641.76**
b. Bank balances other than cash and cash equivalents				
Deposits with remaining maturity of more than 12 months	156.30	1.94	-	-
Deposits with remaining maturity of less than 12 months	-	-	2,896.31	2,425.47
	156.30	**1.94**	**2,896.31**	**2,425.47**
Disclosed under other non-current financial assets (refer note 10)	(156.30)	(1.94)	-	-
	-	**-**	**2,896.31**	**2,425.47**
	-	**-**	**6,416.09**	**7,067.23**

* Includes restricted deposits of ₹ nil (31 March 2018: ₹ 45.28 million).

	As at 31 March 2019	As at 31 March 2018
14. EQUITY SHARE CAPITAL		
Authorised share capital		
245,000,000 (31 March 2018: 245,000,000) equity shares of ₹ 10 each	2,450.00	2,450.00
Issued, subscribed and fully paid-up shares		
186,219,039 (31 March 2018: 193,260,182) equity shares of ₹ 10 each fully paid-up	1,862.19	1,932.60
Add: Amount originally paid-up on forfeited shares	0.07	0.07
Total issued, subscribed and fully paid-up share capital	**1,862.26**	**1,932.67**

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

	As at 31 March 2019		As at 31 March 2018	
	Number of shares	₹ million	Number of shares	₹ million
At the beginning of the year	193,260,182	1,932.60	210,417,080	2,104.17
Issue of shares upon exercise of stock options	278,712	2.79	213,180	2.13
Issue of bonus shares	700	0.01	-	-
Buy back of shares (refer note 14 (d) (ii)	(7,320,555)	(73.21)	(17,370,078)	(173.70)
Outstanding at the end of the year	**186,219,039**	**1,862.19**	**193,260,182**	**1,932.60**

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

The Company has only one class of equity shares having 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 in 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 (₹ million)

	As at 31 March 2019	As at 31 March 2018
Marble II Pte Limited (subsidiary of the ultimate holding company) *		
97,317,781 (31 March 2018: 116,691,668) equity shares of ₹ 10 each fully paid	973.18	1,166.92

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

(d) Equity shares movement during five years immediately preceding 31 March 2019

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

	As at 31 March 2019	As at 31 March 2018
Equity shares allotted as fully paid bonus shares by capitalization of securities premium / retained earnings	700	-

(ii) Equity shares extinguished / cancelled on buy back

a. During the previous year ended 31 March 2018, the Company had completed the buyback of 17,370,078 fully paid-up equity shares of face value of ₹ 10 each ("equity shares") on 2 June 2017, 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. During the current year, the Company has 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

	As at 31 March 2019		As at 31 March 2018	
Name of the Shareholder	Number of shares	% of holding	Number of shares	% of holding
Marble II Pte Limited	97,317,781	52.26	116,691,668	60.38

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 15.

(₹ million)

	As at 31 March 2019	As at 31 March 2018
15. OTHER EQUITY		
Securities Premium		
Balance as per previous financial statements	95.18	1,654.10
Utilized for buy back of equity shares	(176.59)	(1,654.10)
Premium received on issue of shares	100.90	26.59
Transferred from share based payment reserve, on exercise of options	49.77	68.59
Closing balance	**69.26**	**95.18**
General reserve		
Balance as per previous financial statements	761.26	6,596.04
Utilized for buy back of equity shares	(743.89)	(6,576.85)
Reversal on lapse of options granted	1.93	2.18
Transferred from retained earnings	769.43	739.89
Closing balance	**788.73**	**761.26**
Retained earnings		
Balance as per previous financial statements	46,667.96	45,835.25
Re-measurement gains / (losses) on defined benefit plans	3.16	(21.55)
Profit for the year	10,733.54	8,374.99
Issue of bonus shares	(0.01)	-
Utilized for buy back of equity shares	(8,889.06)	(2,625.35)
Transferred to CRR on buy back of equity shares	(73.21)	(173.70)
Buy back expenses	(66.44)	(30.34)
Transferred to Special Economic Zone re-investment reserve	(1,411.16)	-
Transferred from Special Economic Zone re-investment reserve	416.98	-
Less: Appropriations		
Dividends	3,866.99	3,283.08
Dividend Distribution Tax	794.88	668.37
Transfer to general reserve	769.43	739.89
Total appropriations	**5,431.30**	**4,691.34**
Closing balance	**41,950.46**	**46,667.96**
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	178.45	4.75
Transferred from retained earnings on buy back of equity shares	73.21	173.70
Closing balance	**251.66**	**178.45**

15. OTHER EQUITY (CONTINUED)

(₹ million)

	As at 31 March 2019	As at 31 March 2018
Share based payments		
Balance as per previous financial statements	318.23	190.47
Expense for the year	226.45	199.02
Transferred to securities premium on exercise of options	(49.77)	(68.59)
Exercise of options	-	(0.45)
Reversal on lapse of options granted	(1.93)	(2.22)
Closing balance	**492.98**	**318.23**
Special Economic Zone re-investment reserve		
Balance as per previous financial statements	-	-
Transferred from retained earnings	1,411.16	-
Utilization during the year	(416.98)	-
Closing balance	**994.18**	**-**
Treasury shares		
Balance as per previous financial statements	-	(0.45)
Transactions during the year	-	0.45
Closing balance	**-**	**-**
Hedging reserve		
Balance as per previous financial statements	236.90	761.67
Transactions during the year	(703.92)	1,158.25
Transfer to statement of profit and loss	883.87	(1,683.02)
Closing balance	**416.85**	**236.90**
Foreign currency translation reserve		
Balance as per previous financial statements	4,265.78	4,016.60
Transactions during the year	1,044.63	249.18
Closing balance	**5,310.41**	**4,265.78**
Total other equity	**50,635.92**	**52,885.15**

Dividend on equity shares

The Board of Directors, at its meeting held on 10 May 2018 had proposed the final dividend of ₹ 20 per share for the year ended 31 March 2018. The dividend proposed by the Board of Directors has been approved by the shareholders' in the Annual General meeting held on 7 August 2018. This resulted in a cash outflow of ₹ 4,654.82 million, inclusive of dividend distribution tax of ₹ 794.88 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.

The movements in the options granted under the 1998 Plan - (Version I) for the year ended 31 March 2019 and 31 March 2018 are set out below:

	Year ended 31 March 2019		Year ended 31 March 2018	
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 2019 has an exercise price of ₹ 34.38 (31 March 2018: ₹ 34.38).

1998 Plan - (Version II): Commencing January 2000, the Company decided to grant all future options at the market price immediately preceding the date of grant. The equity shares covered under these options vest at various dates over a period ranging from twelve to forty-eight months from the date of grant based on the grade of the employee. However, in the case of options granted to the then Managing Director or Chief Executive Officer, the vesting period of the options, subject to a minimum period of one year from the date of grant, is determined by the ESOP Committee and approved by the Board. The options are to be exercised within a period of ten years from their date of vesting.

The movements in the options granted under the 1998 Plan - (Version II) for the year ended 31 March 2019 and 31 March 2018 are set out below:

	Year ended 31 March 2019		Year ended 31 March 2018	
1998 Plan (Version II)	No. of options	Weighted Average Exercise Price (₹)	No. of options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning	-	-	9,816	84.67
Lapsed	-	-	6,616	84.21
Exercised	-	-	3,200	85.63
Options outstanding at the end	**-**	**-**	**-**	**-**

Employees Stock Option Plan - 2004 (the 2004 Plan)

At the Extraordinary General Meeting held on 12 May 2004, the shareholders approved a new Employee Stock Option Plan. The 2004 Plan provides for the issue of equity shares to employees and directors of the Company and its subsidiaries and for the exchange of outstanding stock options of Msource Corporation as on 20 September 2004, pursuant to its merger with Mphasis Corporation and the assumption of the Msource stock options by the Company.

The 2004 Plan is administered through the ESOP Committee appointed by the Board and comprises two programs. Under Program A, outstanding options of Msource Corporation were exchanged for options in the Company on the agreed exchange ratio of 0.14028 stock options with underlying equity shares of the Company for each stock option in the Msource 2001 plan, the exercise price being the equivalent amount payable by the option holder under the Msource 2001 plan. The equity shares underlying these options vest over a period up to forty-eight months from the date of assumption by the Company and shall be exercisable within a period of ten years from the original date of grant under the Msource 2001 plan.

Options under Program B represent fresh grants and will be issued to employees at an exercise price which shall be equal to the fair value of the underlying shares at the date of grant. The equity shares covered under these options vest over a period ranging from twelve to forty-eight months from the date of grant. The exercise period is two years from the date of vesting.

The movements in the options granted under the 2004 plan for the year ended 31 March 2019 and 31 March 2018 are set out below:

2004 Plan	Year ended 31 March 2019 No. of options	Year ended 31 March 2019 Weighted Average Exercise Price (₹)	Year ended 31 March 2018 No. of options	Year ended 31 March 2018 Weighted Average Exercise Price (₹)
Options outstanding at the beginning	-	-	1,598	138.69
Lapsed	-	-	1,598	138.69
Options outstanding at the end	**-**	**-**	**-**	**-**

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.

The movements in the options under the 2016 plan for the year ended 31 March 2019 and 31 March 2018 are set out below:

2016 Plan	Year ended 31 March 2019 No. of options	Year ended 31 March 2019 Weighted Average Exercise Price (₹)	Year ended 31 March 2018 No. of options	Year ended 31 March 2018 Weighted Average Exercise Price (₹)
Options outstanding at the beginning	4,958,886	541.91	3,885,100	500.00
Granted	223,000	941.00	1,613,176	630.20
Forfeited	289,760	560.28	485,610	504.59
Lapsed	12,500	500.00	-	-
Exercised	203,910	504.84	53,780	500.00
Options outstanding at the end	**4,675,716**	**561.53**	**4,958,886**	**541.91**
Exercisable at the end	**1,388,326**	**527.78**	**658,000**	**500.00**

The weighted average share price as at the date of exercise of stock option was ₹ 1,064.34 (31 March 2018: ₹ 831.99). The options outstanding on 31 March 2019 have an exercise price ranging from ₹ 500.00 to ₹ 941.00 (31 March 2018: ₹ 500.00 to ₹ 650.00) and the weighted average remaining contractual life of 4.24 years (31 March 2018: 5.10 years).

The weighted average fair value of stock options granted during the year was ₹ 298.19 (31 March 2018: ₹ 228.54). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	31 March 2019	31 March 2018
Weighted average share price on the date of grant (₹)	972.80	775.62
Exercise Price (₹)	941.00	500.00 to 650.00
Expected Volatility	37.57%	24.18% to 26.98%
Life of the options granted in years	1-5 years	1-5 years
Average risk-free interest rate	7.53%	6.38% to 7.26%
Expected dividend rate	1.68%	2.85% to 3.93%

Total employee compensation cost pertaining to 2016 Plan during the year is ₹ 226.45 million (31 March 2018: ₹ 199.02 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 for the year ended 31 March 2019 and 31 March 2018 are set out below:

	Year ended 31 March 2019		Year ended 31 March 2018	
RSU 2014 Plan	No. of units	Weighted Average Exercise Price (₹)	No. of units	Weighted Average Exercise Price (₹)
Units outstanding at the beginning	35,455	10.00	88,545	10.00
Lapsed	1,354	10.00	-	-
Exercised	28,788	10.00	53,090	10.00
Units outstanding at the end	**5,313**	**10.00**	**35,455**	**10.00**
Exercisable at the end	**5,313**	**10.00**	**35,455**	**10.00**

The weighted average share price as at the date of exercise of stock unit was ₹ 1,063.72 (31 March 2018: ₹ 654.64). The units outstanding on 31 March 2019 have an exercise price of ₹ 10.00 (31 March 2018: ₹ 10.00) and the weighted average remaining contractual life is 0.42 years (31 March 2018: 1.18 years).

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 for the year ended 31 March 2019 and 31 March 2018 are set out below:

	Year ended 31 March 2019		Year ended 31 March 2018	
RSU 2015 Plan	No. of units	Weighted Average Exercise Price (₹)	No. of units	Weighted Average Exercise Price (₹)
Units outstanding at the beginning	83,850	10.00	192,900	10.00
Lapsed	750	10.00	5,000	10.00
Exercised	46,014	10.00	104,050	10.00
Units outstanding at the end	**37,086**	**10.00**	**83,850**	**10.00**
Exercisable at the end	**37,086**	**10.00**	**83,850**	**10.00**

The weighted average share price as at the date of exercise of stock unit was ₹ 1,098.70 (31 March 2018: ₹ 629.92). The units outstanding on 31 March 2019 have an exercise price of ₹ 10.00 (31 March 2018: ` 10.00) and the weighted average remaining contractual life is 0.61 years (31 March 2018: 1.62 years).

(₹ million)

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
16. OTHER FINANCIAL LIABILITIES				
Salary related costs	-	-	2,200.83	1,371.23
Capital creditors	-	-	61.70	28.24
Other payables	1.19	10.67	191.51	209.68
Unpaid dividend*	-	-	20.72	13.67
Derivative liabilities	38.72	27.48	310.66	180.05
	39.91	**38.15**	**2,785.42**	**1,802.87**

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

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
17. EMPLOYEE BENEFIT OBLIGATIONS				
Provision for gratuity [refer note 36 (a)]	782.22	523.37	-	200.00
Provision for employee compensated absences	-	-	642.79	530.63
	782.22	**523.37**	**642.79**	**730.63**

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
18. PROVISIONS				
Provision for loss on long-term contract	-	50.00	10.20	150.00
Other provisions	-	-	73.03	95.80
	-	**50.00**	**83.23**	**245.80**

Provisions	Provision for loss on long-term contract	Others
As at 1 April 2018	200.00	95.80
Re-statement of balances	-	(5.65)
Utilised / paid	(189.80)	(17.12)
As at 31 March 2019	**10.20**	**73.03**
Current	10.20	73.03
Non-current	-	-
As at 1 April 2017	204.06	169.14
Additions during the year	200.00	-
Re-statement of balances	-	1.10
Utilised / paid	(204.06)	(74.44)
As at 31 March 2018	**200.00**	**95.80**
Current	150.00	95.80
Non-current	50.00	-

(₹ million)

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
19. OTHER LIABILITIES				
Unearned revenue	-	-	944.01	763.98
Advances received from customers	-	-	0.54	1.16
Rent equalization reserve	126.12	43.62	13.93	13.49
Statutory dues	-	-	825.35	667.10
	126.12	**43.62**	**1,783.83**	**1,445.73**

	As at 31 March 2019	As at 31 March 2018
20. BORROWINGS		
Loan from Citibank (unsecured) *	1,000.00	-
Pre-shipment loan in foreign currency from bank (unsecured) **	1,383.10	1,299.60
Loan from Citibank (secured)***	3,042.82	2,599.20
	5,425.92	**3,898.80**

* Loan from Citibank carries interest @ 8.5%. The loan is repayable on or before 31 July 2019.

** Pre-shipment loan carries interest @ LIBOR plus 0.6% (31 March 2018: LIBOR plus 0.05%) p.a. The loan is repayable on 29 May 2019.

*** Loan from Citibank carries interest @ LIBOR plus 0.65% (31 March 2018: LIBOR plus 1.65%) p.a. The loan is repayable on or before 17 December 2019. The loan is secured against a corporate guarantee issued by the Company.

Refer note 38 for Group's exposure to interest rate, foreign currency and liquidity risks.

21. TAXES

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

	Year ended 31 March 2019	Year ended 31 March 2018
Taxes		
Current taxes	3,191.46	3,159.48
Deferred taxes	148.26	(258.73)
Total taxes	**3,339.72**	**2,900.75**

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 Special Economic Zone (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 initial ten years subject to the creation of SEZ Reinvestment Reserve which is required to be spent within three financial years.

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.

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 2019 and 31 March 2018 relates to origination and reversal of temporary differences.

The Company will be liable to pay Dividend Distribution Tax ('DDT') as per Income-tax Act, 1961 once the dividends are declared and approved by shareholders in the AGM for a concluded and audited financial year. The DDT would be payable as per the then applicable rates as prescribed and in vogue under the Income Tax Act 1961 for the year of declaration and payment of dividend.

Reconciliation of the 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 2019	Year ended 31 March 2018
Profit before exceptional item and tax	**14,073.26**	**11,406.52**
Applicable tax rates in India	34.944%	34.608%
Computed tax charge (A)	**4,917.76**	**3,947.57**
Tax effect on exempt operating income	(803.80)	(855.07)
Tax effect on exempt non - operating income	(22.32)	(106.66)
Tax effect on non - deductible expenses	67.67	22.98
Tax effect on differential domestic/overseas tax rate and other disallowance	(140.84)	37.36
Tax effect on undistributed earnings of foreign subsidiaries of US entities	0.93	342.01
Tax effect on deferred tax assets recognised on carried forward long term capital loss	-	(166.17)
Reversal of tax expenses pertaining to prior period	(752.83)	(331.96)
Tax effect on unrecognized deferred tax assets	178.26	-
Others, net	(105.11)	10.69
Total adjustments (B)	**(1,578.04)**	**(1,046.82)**
Total tax expenses (A+B)	**3,339.72**	**2,900.75**

During the year ended 31 March 2019, upon the enactment of the US Tax Reforms, the Group has recognized income tax provisions. (31 March 2018: ₹ 342.01 million (USD 5.23 million)) with respect to the deemed repatriation of the accumulated undistributed post-1986 earnings of specified foreign subsidiaries.

Income tax expense for the year ended 31 March 2019 and 31 March 2018 includes reversal (net of provisions) of ₹ 752.83 million and ₹ 331.96 million, respectively.

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Income tax assets (Net)				
Advance income-tax (net of provision for taxation)	5,230.88	4,570.34	-	-
	5,230.88	**4,570.34**	**-**	**-**
Income tax liabilities (Net)				
Provision for taxation	298.90	311.00	1,365.71	871.95
	298.90	**311.00**	**1,365.71**	**871.95**
Net income tax asset			**3,566.27**	**3,387.39**

Deferred tax asset, amounting to ₹ 423.60 million, in relation to carry forward losses in Canada have not been recorded. The losses carried forward do not have a scheduled expiry date.

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 ₹ 14,401.36 million and ₹ 11,359.28 million as of 31 March 2019 and 31 March 2018, 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 2019	As at 31 March 2018
Deferred Tax Asset (net)		
Property, plant and equipment and other intangible assets	396.69	276.11
Provision for doubtful debts and advances	156.82	159.78
Provision for employee benefits	390.17	387.62
Provision for loss on long-term contract	16.23	16.23
Rent equalization reserve	(14.22)	(132.26)
On carried forward long term capital loss	153.26	166.17
Derivative liabilities	(220.11)	(127.24)
Others	(65.02)	310.41
	813.82	**1,056.82**
Deferred Tax Liabilities (net)		
Property, plant and equipment and other intangible assets	436.49	182.28
Provision for doubtful debts and advances	(7.47)	-
Provision for employee benefits	(107.88)	(117.68)
Rent equalization reserve	(0.83)	(2.01)
Others	(292.35)	(12.88)
	27.96	**49.71**

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

	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)
Others	(12.88)	(279.47)	-	-	(292.35)
	49.71	**(20.52)**	**-**	**(1.23)**	**27.96**
Total	**1,007.11**	**(148.26)**	**(94.11)**	**21.12**	**785.86**

(₹ million)

	As at 1 April 2017	Statement of Profit and loss	OCI	Others	As at 31 March 2018
Deferred Tax Asset (net)					
Property, plant and equipment and other intangible assets	475.04	(198.93)	-	-	276.11
Provision for doubtful debts and advances	186.01	(26.23)	-	-	159.78
Provision for employee benefits	390.40	(14.93)	12.35	(0.20)	387.62
Provision for loss on long-term contract	16.08	0.15	-	-	16.23
Rent equalization reserve	(330.43)	198.17	-	-	(132.26)
On carried forward long term capital loss	-	166.17	-	-	166.17
Derivative liabilities	(403.09)	-	275.85	-	(127.24)
Others	283.28	27.14	-	(0.01)	310.41
	617.29	**151.54**	**288.20**	**(0.21)**	**1,056.82**
Deferred Tax Liabilities (net)					
Property, plant and equipment and other intangible assets	326.54	(143.73)	-	(0.53)	182.28
Provision for employee benefits	(151.02)	33.34	-	-	(117.68)
Rent equalization reserve	(3.90)	1.89	-	-	(2.01)
Others	(14.19)	1.31	-	-	(12.88)
	157.43	**(107.19)**	**-**	**(0.53)**	**49.71**
Total	**459.86**	**258.73**	**288.20**	**0.32**	**1,007.11**

	Year ended 31 March 2019	Year ended 31 March 2018
22. REVENUE FROM OPERATIONS		
Sale of services	78,193.67	63,775.34
Profit / (loss) on cash flow hedges reclassified to revenue	(883.87)	1,683.02
	77,309.80	**65,458.36**

Information in relation to revenue disaggregation is disclosed in note 33 and 34.

The effect of initially applying Ind AS 115 on the Group's revenue from contracts with customers is described in note 2 – Revenue recognition. Due to the transition method chosen in applying Ind AS 115, comparative information has not been restated to reflect the new requirements.

Reconciliation of revenue recognised with contracted price is as follows:

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

A. Contract balances

The following table discloses the movement in contract assets during the year ended 31 March 2019:

	Year ended 31 March 2019
Balance at the beginning of the year	41.08
Revenue recognized during the year	726.31
Invoiced during the year	(637.48)
Exchange gain / (loss)	3.37
Closing balance	**133.28**

The following table discloses the movement in unearned revenue balances during the year ended 31 March 2019: (₹ million)

	Year ended 31 March 2019
Balance as per previous financial statements	763.98
Revenue recognized during the year	2,567.27
Invoiced during the year	(2,409.41)
Exchange (gain) / loss	22.17
Closing balance	**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 2019 is ₹ 9,431.00 million. Out of this, the Group expects to recognize revenue of around 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.

	Year ended 31 March 2019	Year ended 31 March 2018
23. OTHER INCOME		
Interest income on		
Bank deposits	207.73	105.93
Long term bonds	63.83	90.63
Others	79.53	82.22
Dividend income	0.04	22.45
Net gain on investments carried at FVTPL *	1,196.12	1,208.06
Foreign exchange gain / (loss), (net)	168.21	96.21
Profit on sale of fixed assets, (net)	27.37	4.53
Miscellaneous income	24.24	10.93
	1,767.07	**1,620.96**

* includes profit on sale of investments amounting to ₹ 857.44 million (31 March 2018: ₹ 1,343.32 million).

	Year ended 31 March 2019	Year ended 31 March 2018
24. EMPLOYEE BENEFITS EXPENSE		
Salaries and bonus	39,542.46	35,108.55
Contribution to provident and other funds	2,620.24	2,470.53
Employee share based payments	226.45	199.02
Staff welfare expenses	597.76	401.17
	42,986.91	**38,179.27**

	Year ended 31 March 2019	Year ended 31 March 2018
25. FINANCE COSTS		
Interest expense	173.69	100.98
Exchange difference to the extent considered as an adjustment to borrowing costs	-	28.98
	173.69	**129.96**

(₹ million)

	Year ended 31 March 2019	Year ended 31 March 2018
26. DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation of property, plant and equipment (refer note 3)	481.01	421.69
Amortization of intangible assets (refer note 6)	277.43	286.52
	758.44	**708.21**

	Year ended 31 March 2019	Year ended 31 March 2018
27. OTHER EXPENSES		
Software development expenses	9,216.18	6,171.42
Legal and professional charges	3,173.29	2,609.63
Rent	2,357.64	2,274.64
Travel	2,062.11	1,687.70
Software support and annual maintenance charges	1,324.05	1,024.25
Communication expenses	694.65	606.36
Recruitment expenses	422.51	358.12
Power and fuel	348.56	297.54
Insurance	171.24	184.44
Rates and taxes	19.25	82.30
Repairs and maintenance - others	65.43	32.41
Provision for expected credit loss	117.33	(33.16)
Corporate Social Responsibility expense (refer note 41)	192.13	131.28
Miscellaneous expenses	904.64	1,209.74
Payment to auditor (refer details below)	15.56	18.69
	21,084.57	**16,655.36**

	Year ended 31 March 2019	Year ended 31 March 2018
Payment to Auditor *		
As auditor:		
Statutory audit fee	12.20	14.25
Other services (certification fees)	3.12	3.27
Reimbursement of expenses	0.24	1.17
	15.56	**18.69**

* excluding Service Tax / Goods and Service tax.

28. EARNINGS PER SHARE ('EPS')

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

	Year ended 31 March 2019	Year ended 31 March 2018
Profit before exceptional item (₹ in million)	10,733.54	8,505.77
Profit after exceptional item (₹ in million)	10,733.54	8,374.99
Number of weighted average shares considered for calculation of basic earnings per share	191,495,657	196,333,584
Add: Dilutive effect of stock options	1,906,012	297,424
Number of weighted average shares considered for calculation of diluted earnings per share	**193,401,669**	**196,631,008**
Earnings per equity share before exceptional item (par value ₹ 10 per share)		
Basic	56.05	43.32
Diluted	55.50	43.26
Earnings per equity share before exceptional item (par value ₹ 10 per share)		
Basic	56.05	42.66
Diluted	55.50	42.59

29. 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 ₹ 10,648.04 million (31 March 2018: ₹ 9,859.84 million).

The Group has furnished bank guarantees amounting to ₹ 6,661.95 million (31 March 2018: ₹ 6,661.95 million) against such orders. These demands are being contested by the Group based on management evaluation, advice of tax consultants and legal opinions obtained. No provision has been made in the books of accounts. The Group has filed appeals against such orders with the appropriate appellate 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 2019: ₹ 145.61 million (31 March 2018: ₹ 607.78 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 ₹ 755.60 million (31 March 2018: ₹ 751.50 million).

d) 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.

e) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for as at 31 March 2019: ₹ 84.86 million (31 March 2018: ₹ 274.54 million).

30. OPERATING LEASES

The Group has entered into non-cancellable operating leases for equipment and office space. Total rental expense under non-cancellable operating leases amounted to ₹ 1,027.54 million for the year ended 31 March 2019 (31 March 2018: ₹ 1,013.08 million).

Future minimum lease payments under non-cancellable operating leases are as follows:

Period	As at 31 March 2019	As at 31 March 2018
Not later than 1 year	437.18	531.62
Later than 1 year and not later than 5 years	870.13	772.88
Total minimum lease commitments	**1,307.31**	**1,304.50**

Total rental expense under cancellable operating leases for the year ended 31 March 2019 amounted to ₹ 1,330.10 million (31 March 2018: ₹ 1,261.56 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 Limited	Intermediate holding company
Marble II Pte Limited	Holding company

Key Management Personnel

Nitin Rakesh	Chief Executive Officer and Executive Director
V. Suryanarayanan	Executive Vice President & Chief Financial Officer
Subramanian Narayan	Vice President & Company Secretary (Appointed w.e.f. 1 November 2017)
Davinder Singh Brar	Independent Director and Chairman of the Board
Narayanan Kumar	Independent Director
Jan Kathleen Hier	Independent Director
Amit Dixit	Director
Amit Dalmia	Director
Paul James Upchurch	Director
David Lawrence Johnson	Director
Marshall Jan Lux	Director – Appointed w.e.f. 7 August 2018
Dario Zamarian	Director – Resigned w.e.f. 6 August 2018
A. Sivaram Nair	Executive Vice President, Company Secretary General Counsel & Ethics Officer (Resigned w.e.f. 31 October 2017)

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

(₹ million)

	Year ended 31 March 2019	Year ended 31 March 2018
Dividend paid (on cash basis)	**2,025.08**	**1,984.19**
Marble II Pte Limited	2,024.62	1,983.76
Others	0.46	0.43
Remuneration / Commission to key management personnel *	**181.98**	**145.52**
Nitin Rakesh **	120.79	86.14
Others	61.19	59.38

* This does not include remuneration paid to certain directors by the ultimate parent company and its affiliates as they are employees of the said companies.

** 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 has been deputed for a period of 12 months. Salaries and all other employee benefits (excluding the yearly bonus for the period from 1 April 2018 to 15 October 2018, which will be paid by Mphasis Limited) for Nitin Rakesh, for period from 16 October 2018 to 31 March 2019, amounting to ₹ 41.74 million have been discharged by Mphasis Corporation. The agreement provides for automatic renewal, unless terminated by the Company. Accordingly, the managerial remuneration disclosed above includes such remuneration paid by Mphasis Corporation.

The balances receivable from and payable to related parties are as follows:

	As at 31 March 2019	As at 31 March 2018
Remuneration / Commission payable to key management personnel	**8.11**	**5.10**
Davinder Singh Brar	1.57	0.98
Narayanan Kumar	1.42	0.85
David Lawrence Johnson	1.28	0.83
Dario Zamarian	-	0.76
Jan Kathleen Hier	1.34	0.87
Paul James Upchurch	1.25	0.81
Marshall Lux	1.25	-

CONSOLIDATED FINANCIAL STATEMENTS

32 Additional information pursuant to para 2 of general instructions for the preparation of the Consolidated Financial Statements for years ended 31 March 2019 and 31 March 2018.

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	71.593	7,694.33	80.101	148.58	71.738	7,842.91
Indian subsidiaries								
Msource (India) Private Limited	10.086	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 BVBA	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**

CONSOLIDATED FINANCIAL STATEMENTS

31 March 2018	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	42.697	39,074.24	70.516	7,398.91	84.579	(493.84)	69.687	6,905.07
Indian subsidiaries								
Msource (India) Private Limited	9.119	8,345.42	4.405	462.16	9.024	(52.69)	4.132	409.47
Mphasis Software and Services (India) Private Limited	1.731	1,584.13	0.388	40.66	-	-	0.410	40.66
Foreign subsidiaries								
Mphasis Corporation	6.798	6,221.46	2.921	306.48	(2.113)	12.34	3.218	318.82
Mphasis Deutschland GmbH	0.111	101.69	0.244	25.59	(1.749)	10.21	0.361	35.80
Mphasis Australia Pty Limited	0.615	563.13	0.506	53.07	(1.545)	9.02	0.627	62.09
Mphasis (Shanghai) Software & Services Company Limited	0.151	137.81	0.120	12.57	(2.288)	13.36	0.262	25.93
Mphasis Consulting Limited	0.667	610.76	(0.033)	(3.44)	(12.069)	70.47	0.676	67.03
Mphasis Ireland Limited	0.045	40.75	0.084	8.82	(0.697)	4.07	0.130	12.89
Mphasis Belgium BVBA	0.352	322.46	0.278	29.19	(6.327)	36.94	0.667	66.13
Mphasis Poland s.p.z.o.o	(0.013)	(11.69)	0.045	4.68	0.339	(1.98)	0.027	2.70
Msource Mauritius Inc.	0.688	629.60	(0.014)	(1.47)	(0.677)	3.95	0.025	2.48
PT. Mphasis Indonesia	-	0.01	(0.003)	(0.33)	-	-	(0.003)	(0.33)
Mphasis Europe BV	12.715	11,636.32	(0.347)	(36.36)	(4.621)	26.98	(0.095)	(9.38)
Mphasis Pte Limited	0.457	418.00	0.426	44.72	(4.218)	24.63	0.700	69.35
Mphasis Infrastructure Services Inc.	(1.192)	(1,090.48)	(0.614)	(64.47)	0.151	(0.88)	(0.660)	(65.35)
Mphasis UK Limited	11.432	10,462.28	(0.231)	(24.29)	(16.103)	94.02	0.704	69.73
Mphasis Wyde Inc.	12.320	11,274.27	10.231	1,073.47	(0.204)	1.19	10.846	1,074.66
Mphasis Philippines Inc.	0.020	18.05	(0.006)	(0.60)	0.122	(0.71)	(0.013)	(1.31)
Wyde Corporation Inc.	(0.907)	(830.24)	(2.303)	(241.61)	0.051	(0.30)	(2.441)	(241.91)
Mphasis Wyde SASU	(0.734)	(671.60)	(0.005)	(0.52)	14.565	(85.04)	(0.863)	(85.56)
Wyde Solutions Canada Inc.	(0.164)	(149.95)	0.013	1.40	1.045	(6.10)	(0.047)	(4.70)
Digital Risk LLC.	1.118	1,023.27	4.781	501.61	106.608	(622.46)	(1.220)	(120.85)
Digital Risk Compliance Services LLC.	-	-	-	-	(58.986)	344.41	3.476	344.41
Digital Risk Mortgage Services LLC.	2.478	2,268.13	7.692	807.09	(0.923)	5.39	8.200	812.48
Digital Risk Analytics LLC.	-	-	-	-	(3.544)	20.69	0.209	20.69
Investor Services, LLC	0.696	636.74	0.798	83.77	(0.238)	1.39	0.859	85.16
Digital Risk Valuation Services LLC.	(1.202)	(1,100.08)	0.109	11.47	(0.182)	1.06	0.126	12.53
Total foreign subsidiaries	**46.451**	**42,510.69**	**24.692**	**2,590.84**	**6.397**	**(37.35)**	**25.770**	**2,553.49**
Sub total	**100.00**	**91,514.48**	**100.00**	**10,492.57**	**100.00**	**(583.88)**	**100.00**	**9,908.69**
Adjustment arising out of consolidation		(36,696.66)		(2,117.58)		286.74		(1,830.84)
Total		**54,817.82**		**8,374.99**		**(297.14)**		**8,077.85**

33. 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 and Africa (EMEA) and Rest of the world (ROW).

Business segments

(₹ million)

	Year ended 31 March 2019	Year ended 31 March 2018
Segment revenue		
Banking and Capital Market	35,432.11	30,685.00
Insurance	9,072.44	8,096.16
Information Technology, Communication and Entertainment	13,355.71	9,277.76
Emerging Industries	20,333.41	15,716.42
Unallocated - hedge	(883.87)	1,683.02
Total segment revenue	**77,309.80**	**65,458.36**
Segment result		
Banking and Capital Market	9,339.74	7,306.15
Insurance	2,493.35	1,916.40
Information Technology, Communication and Entertainment	3,160.43	1,859.16
Emerging Industries	6,772.94	4,800.33
Unallocated - hedge	(883.87)	1,683.02
Total segment result	**20,882.59**	**17,565.06**
Interest income	351.09	278.78
Finance costs	(173.69)	(129.96)
Other income	1,415.98	1,342.18
Other unallocable expenditure	(8,402.71)	(7,649.54)
Exceptional item (net of tax)	-	(130.78)
Profit before taxation	**14,073.26**	**11,275.74**
Income taxes	3,339.72	2,900.75
Profit after taxation	**10,733.54**	**8,374.99**

Revenue from two customer groups individually accounted for more than 10% of the total revenue for the years ended 31 March 2019 and 31 March 2018.

Geographic revenues	Year ended 31 March 2019	Year ended 31 March 2018
USA	61,585.14	50,842.07
India	4,463.32	4,087.10
EMEA	8,783.27	6,398.04
ROW	3,361.94	2,448.13
Unlocated - hedge	(883.87)	1,683.02
Total	**77,309.80**	**65,458.36**

34. DISAGGREGATION OF REVENUE

(₹ million)

Services rendered	Year ended 31 March 2019	Year ended 31 March 2018
Application development	22,804.82	16,575.32
Application maintenance	26,235.12	21,038.41
Infrastructure management services	10,598.63	8,873.00
Knowledge processing services	7,035.82	7,446.41
Service / Technical helpdesk	5,569.42	4,422.55
Transaction processing service	4,946.00	4,404.44
Customer service	875.03	944.70
License income	128.83	70.51
Unallocated - hedge	(883.87)	1,683.02
Total	**77,309.80**	**65,458.36**

Market	Year ended 31 March 2019	Year ended 31 March 2018
Direct international	53,340.67	44,577.34
DXC / HP business	22,121.00	16,754.00
Others	2,732.00	2,444.00
Unallocated - hedge	(883.87)	1,683.02
Total	**77,309.80**	**65,458.36**

Delivery location	Year ended 31 March 2019	Year ended 31 March 2018
Onsite	45,122.21	35,205.99
Offshore	33,071.46	28,569.35
Unallocated - hedge	(883.87)	1,683.02
Total	**77,309.80**	**65,458.36**

Project type	Year ended 31 March 2019	Year ended 31 March 2018
Time and material	59,047.13	48,562.72
Fixed price	19,146.54	15,212.62
Unallocated - hedge	(883.87)	1,683.02
Total	**77,309.80**	**65,458.36**

35. 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 2019	As at 31 March 2018
Total equity attributable to the share holders of the Group (A)	52,498.18	54,817.82
Borrowings (B)	5,425.92	3,898.80
Total borrowings as a percentage of capital (B / C)	**9.37%**	**6.64%**
Total capital (A+B=C)	**57,924.10**	**58,716.62**
Total equity as a percentage of total capital (A / C)	**90.63%**	**93.36%**

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.

36. EMPLOYEE BENEFITS

a. Gratuity

In accordance with Indian law, 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 2019	Year ended 31 March 2018
Changes in present value of defined benefit obligations		
Obligations at beginning of the year	1,145.21	1,070.01
Service cost	23.09	118.64
Interest cost	81.65	75.51
Benefits paid	(111.92)	(153.01)
Re-measurement (gain) / loss (through OCI)	(8.57)	34.06
Obligations at end of the year	**1,129.46**	**1,145.21**
Change in plan assets		
Plan assets at beginning of the year, at fair value	421.84	226.48
Expected return on plan assets	42.17	23.85
Re-measurement gain / (loss) (through OCI)	(4.17)	0.16
Employer contributions	5.72	327.67
Benefits paid	(111.92)	(153.01)
Administration charges	(6.40)	(3.31)
Plan assets at end of the year	**347.24**	**421.84**
Present value of defined benefit obligation at the end of the year	1,129.46	1,145.21
Fair value of plan assets at the end of the year	347.24	421.84
Net liability recognised in the balance sheet	**(782.22)**	**(723.37)**
Expenses recognised in statement of profit and loss		
Service cost	23.09	118.64
Interest cost (net)	39.48	51.66
Net gratuity cost	**62.57**	**170.30**
Re-measurement gains / (losses) in OCI		
Actuarial (gain) / loss due to financial assumption changes	10.35	(96.25)
Actuarial (gain) / loss due to experience adjustments	(18.92)	130.31
Re-measurement - return on plan assets (greater) less than discount rate	4.17	(0.16)
Total expenses routed through OCI	**(4.40)**	**33.90**
Assumptions		
Discount rate	7.34%	7.60%
Expected rate of return on plan assets	7.34%	7.60%
Salary increase	5.00%	5.00%
Attrition rate	20.00%	20% to 30%
Retirement age	60 years	60 years

(₹ million)

	Year ended 31 March 2019	Year ended 31 March 2018
Future payouts (year ended 31 March)		
2020	207.97	206.65
2021	169.46	160.99
2022	139.28	123.71
2023	112.78	96.16
2024	91.21	74.27
2025-2029	223.83	189.32
Beyond 2029	184.93	294.11
Contributions likely to be made during the next one year	-	200.00

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

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

Insurer managed funds	100%	100%

Sensitivity analysis	Year ended 31 March 2019		Year ended 31 March 2018	
Change in discount rate	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**
Effect on the defined benefit obligation	(41.89)	45.37	(39.62)	42.93
Change in salary increase				
Effect on the defined benefit obligation	45.92	(43.13)	35.65	(33.70)

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 2019. 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 2019 and 31 March 2018.

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

The details of the fund and plan asset position are given below: (₹ million)

	As at 31 March 2019	As at 31 March 2018
Plan assets at the year end	8,213.92	7,352.08
Present value of benefit obligation at year end	8,213.92	7,352.08
Asset recognized in balance sheet	-	-

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

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

Government of India (GOI) bond yield	7.00%	7.60%
Remaining term of maturity (in years)	12	12
Expected guaranteed rate of return	8.65%	9.25%

The Group has contributed ₹ 466.94 million during the year ended 31 March 2019 (31 March 2018: ₹ 454.05 million).

37. FINANCIAL INSTRUMENTS

The carrying value of financial instruments by categories as at 31 March 2019 is as follows:

Particulars	FVTPL	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortized cost	Total
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**

The carrying value of financial instruments by categories as of 31 March 2018 is as follows:

Particulars	FVTPL	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortized cost	Total
Financial assets					
Cash and cash equivalents	-	-	-	4,641.76	**4,641.76**
Bank balances other than cash and cash equivalents	-	-	-	2,425.47	**2,425.47**
Investments	14,651.46	-	-	3,169.22	**17,820.68**
Trade receivables	-	-	-	8,126.94	**8,126.94**
Loans	-	-	-	1,963.93	**1,963.93**
Derivative assets	-	513.30	6.20	-	**519.50**
Unbilled revenue	-	-	-	5,432.82	**5,432.82**
Other financial assets	-	-	-	125.37	**125.37**
Total	**14,651.46**	**513.30**	**6.20**	**25,885.51**	**41,056.47**
Financial liabilities					
Borrowings	-	-	-	3,898.80	**3,898.80**
Trade payables	-	-	-	5,023.92	**5,023.92**
Derivative liabilities	-	149.15	58.38	-	**207.53**
Other financial liabilities	-	-	-	1,633.49	**1,633.49**
Total	**-**	**149.15**	**58.38**	**10,556.21**	**10,763.74**

Fair Value hierarchy (₹ million)

Particulars	As at 31 March 2019				As at 31 March 2018			
	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	**10,700.33**	7,626.31	3,074.02	-	**14,651.46**	14,651.46	-	-
Derivative assets	**1,059.34**	-	1,059.34	-	**519.50**	-	519.50	-
Liabilities								
Derivative liabilities	**349.38**	-	349.38	-	**207.53**	-	207.53	-

During the year ended 31 March 2019, non-convertible debentures and zero coupon bonds of ₹ 3,074.02 million have been transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

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 2019	As at 31 March 2018
Gross amount of recognised trade receivables	12,130.06	9,878.52
Gross amount of recognised factored trade receivables and volume discount set off in the balance sheet	(2,565.78)	(324.84)
Net amount presented in balance sheet	**9,564.28**	**9,553.68**

38. 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 revenue) and from its financing activities including deposits with banks and financial institutions, investments, foreign exchange transactions 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 2019 and 31 March 2018. Two customer groups individually accounted for more than 10% of unbilled revenue for the years ended 31 March 2019 and 31 March 2018.

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 2019	As at 31 March 2018
Trade receivables	9,564.28	8,126.94
Unbilled revenue	8,933.43	5,432.82
Total	**18,497.71**	**13,559.76**

The Group's days sales outstanding as at 31 March 2019 is 82 days (31 March 2018: 73 days).
The Group evaluates the concentration of risk with respect to trade receivables as low as they are spread across multiple geographies and multiple industries.

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. Counterparty credit limits are reviewed by the Group periodically and the limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. Two banks individually accounted for more than 10% of the Group's deposits and bank balances as at 31 March 2019 (31 March 2018: three banks).

INTEREST RATE RISK

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

LIQUIDITY RISK

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group's principal sources of liquidity are cash and cash equivalents 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: **(₹ million)**

Particulars	As at 31 March 2019	As at 31 March 2018
Cash and cash equivalents	3,519.78	4,641.76
Bank balances other than cash and cash equivalents	2,896.31	2,425.47
Current investments	10,700.33	14,651.46
Total	**17,116.42**	**21,718.69**

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

Financial liabilities (As at 31 March 2019)	On demand	0-180 days	180 to 365 days	365 days and above	Total
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**
Financial liabilities (As at 31 March 2018)					
Trade payables	569.24	4,227.49	227.19	-	**5,023.92**
Borrowings	-	3,898.80	-	-	**3,898.80**
Other financial liabilities	39.00	1,682.68	81.19	38.15	**1,841.02**
Total financial liabilities	**608.24**	**9,808.97**	**308.38**	**38.15**	**10,763.74**

FOREIGN CURRENCY EXCHANGE RATE RISK

The fluctuation in foreign currency exchange rates may have potential impact on the consolidated statement of profit and loss and other comprehensive income and equity, 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'). 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.

As at 31 March 2019	₹ million				
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					**Total**
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**
As at 31 March 2018					
Financial assets					**Total**
Trade receivables	2,004.27	222.76	305.43	257.10	**2,789.56**
Cash and cash equivalents	961.28	-	-	24.53	**985.81**
Unbilled revenue	1,127.38	126.59	190.59	85.83	**1,530.39**
Total financial assets	**4,092.93**	**349.35**	**496.02**	**367.46**	**5,305.76**
Financial liabilities					**Total**
Trade payables	21.04	0.74	0.24	8.55	**30.57**
Borrowings	1,299.60	-	-	-	**1,299.60**
Other financial liabilities	7.50	-	-	-	**7.50**
Total financial liabilities	**1,328.14**	**0.74**	**0.24**	**8.55**	**1,337.67**
Net financial assets	**2,764.79**	**348.61**	**495.78**	**358.91**	**3,968.09**

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 market place.

Forward contracts outstanding against receivables are as below:

Currency	31 March 2019		31 March 2018	
Balance sheet hedges*	Amount (million)	Amount in (₹ million)	Amount (million)	Amount in (₹ million)
USD	64.79	4,480.55	60.40	3,924.79
GBP	3.28	296.92	3.32	306.09
EUR	7.20	559.24	6.51	525.73
CAD	3.99	205.64	2.63	133.24
AUD	2.13	104.41	2.17	109.23
SGD	1.00	51.04	-	-

* Includes hedges taken on transactions within the Group.

Forward contracts outstanding against payables are as below:

Currency	31 March 2019		31 March 2018	
	Amount (million)	Amount in (₹ million)	Amount (million)	Amount in (₹ million)
USD	20.00	1,383.10	20.00	1,299.60

Sensitivity analysis

For every 1% appreciation / depreciation of the respective foreign currencies, the Group's profit before taxes will be impacted approximately by ₹ 2.50 million for the year ended 31 March 2019 (31 March 2018: ₹ 1.65 million).

39. FAIR VALUES

Financial instruments carried at amortised cost such as cash and cash equivalents, other bank balances, trade receivables, loans, other financial assets, unbilled 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.

40. 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.

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

	31 March 2019			31 March 2018		
Currency	Number of contracts	Notional amount (million)	Fair value (₹ million)	Number of contracts	Notional amount (million)	Fair value (₹ million)
USD	366	462.44	392.75	303	508.24	468.08
GBP	59	15.23	68.72	26	21.52	(78.24)
EUR	64	18.17	132.35	41	18.50	(35.08)
CAD	11	5.76	14.53	12	6.28	4.82
AUD	36	8.70	28.62	13	11.53	4.57
Total			**636.97**			**364.15**

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

	As at 31 March 2019	As at 31 March 2018
Balance as per previous financial statements	236.90	761.67
Change in fair value of effective portion of cash flow hedge	(611.05)	882.40
(Gain) / loss transferred to statement of profit and loss on occurrence of forecasted hedges	883.87	(1,683.02)
Income tax effect on the above	(92.87)	275.85
	416.85	**236.90**

Sensitivity analysis

Every 1% appreciation / depreciation of the respective underlying foreign currencies, the Group's OCI will decrease / increase by approximately ₹ 337.00 million (31 March 2018: ₹ 355.00 million).

41. Pursuant to the requirement of Section 135 of the Companies Act, 2013, a Corporate Social Responsibility ('CSR') committee has been formed by the Group. 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 Group during the year was ₹ 200.26 million (31 March 2018: ₹ 191.66 million). The expenses incurred towards CSR activities amounting to ₹ 192.13 million (31 March 2018: ₹ 131.28 million) has been charged to the statement of profit and loss and is disclosed under other expenses.

    Amount spent during the yar ended 31 March 2019 and 31 March 2018 is as follows:

	Year ended 31 March 2019			Year ended 31 March 2018		
Particulars	Paid	Not paid	Total	Paid	Not paid	Total
Construction / acquisition of any asset	-	-	-	-	-	-
On purposes other than above	192.13	-	192.13	131.28	-	131.28

42. During the year ended 31 March 2018, upon assessment of future profitability, the Group provided an amount of ₹ 130.78 million (net of tax ₹ 69.22 million) towards expected loss and the same has been disclosed as an exceptional item.

43. The corresponding figures as at and for the year ended 31 March 2018 were audited by a firm, other than B S R & Co. LLP.

44. Subsequent events

    The Board of Directors in their meeting held on 27 May 2019 have proposed a final dividend of ₹ 27 per equity share for the year ended 31 March 2019 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 ₹ 5,027.91 million, inclusive of dividend distribution tax of ₹ 1,033.50 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

Paris
27 May 2019

for **and on behalf of the Board of Directors**

Nitin Rakesh
Chief Executive Officer

Narayanan Kumar
Director

V. Suryanarayanan
Executive Vice President & Chief Financial Officer

Subramanian Narayan
Vice President & Company Secretary

Paris
27 May 2019

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Safe Harbor

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Mphasis will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

The following discussion and analysis should be read in conjunction with the Company's Audited Consolidated financial statements prepared under Indian Accounting Standard and the notes thereon. All comparisons for the purpose of this discussion and analysis are with reference to the audited financials for the year ended 31 March 2019 and 31 March 2018.

Overview

Mphasis is a leading IT solutions provider, offering Applications, Business Process Outsourcing (BPO) and Infrastructure services globally through a combination of technology know-how, domain and process expertise. It was formed in the year 2000 through the merger of two IT companies. In June 2006, Electronics Data Systems Corporation (EDS) acquired a majority holding in the equity capital of the 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$400 billion in assets under management.

Global economy is expected to grow at 3.7% for FY'18 (NASSCOM). The growth is broad-based across the globe with US economy growing at 2.9%, advanced economies growing at 2.3% and Emerging markets growing at 4.6%. Global IT spend is expected to grow by 5% to 6% in 2019 (Source: NASSCOM) and the spend on Digital/Next Gen technologies is increasing at an even rapid pace. Indian IT industry is expected to grow at 9.2% (Source: NASSCOM) in 2019 with Digital revenues expected to be approximately at 24% of total revenue of $137 Bn in 2019, representing a YoY growth of 30%. (Source: NASSCOM). Though the growth has been consistent in the past few years, global economic uncertainties, Brexit and increased protectionist policies among major countries are still perceived as a significant risk to the IT industry.

Driven by the continued digital business evolution new technologies are emerging that are trying to merge the physical and digital worlds. New business models enabled by digital business platforms are rapidly evolving to keep pace with these technological changes. Mphasis, in this context, is focused on enabling its clients to effortlessly embrace these new business models as they continually develop and adapt to changing marketplace realities.

Mphasis enables enterprises to directly address the pressing need to become fast, innovative, and personalized in their response to digital disruption. 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=X2C2 TM=1) digital experience to clients and their end customers. Through Front2Back™ transformation Mphasis teams with its clients to jointly drive measurable top and bottom-line results. In doing so, Mphasis leverages the state-of-the-art reference frameworks and capabilities of agile transformation for quick results that compound over time. Enterprises are thus concurrently able to leverage the cloud to develop and migrate apps to save cost, improve speed, and drive market leadership by being able to offer innovative and intelligent experiences.

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 building blocks of its success. Mphasis Service Transformation solutions offer an integrated approach to enable enterprises to achieve scalable, digital, future-ready operations. The solutions combine people, process, and technology levers to deliver quick returns on investments while lowering the overall total cost of ownership. The approach enables core systems to support and drive an organizations' digital imperatives with measurable KPIs and outcomes.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our strategic focus is to drive growth along 4 key vectors i.e. Consistent, Competitive, Profitable and Responsible growth and this is reflected in both our revenue and profitability performance. Our focus around Digital new gen services through our unique service transformation approach, helped us to win large deals which enabled us to deliver robust growth in both Direct and DXC/HP channels in FY'19. For second consecutive year, our overall revenue grew in double digits. FY'19 Gross Revenue growth of 22.6% has been highest in the past 10 years. Our FY19 Earnings Per Share (EPS) grew 31.4% in FY'19. Our consistent and profitable growth has helped us to reinvest in building key competencies through Talent Next and Next Labs and in enhancing our Go To Market sales initiatives.

Direct International grew close to 20% in FY'19 on a reported basis. During the year, we won deals worth TCV USD 616 million creating a good run-way for continued growth.

DXC/HP channel also continued the growth momentum from FY'18 and reported consecutive year of strong growth. Our strategic partnership with DXC and increased sales efforts have helped us strengthen our decade old relationship in this channel. During the year, we won significant large transformation deals with DXC which helped us grow the revenues from this channel. We will continue to invest in client engagement and partnership building as we expand our business in this channel.

Revenues

Reported Net revenue in FY19 was ₹ 77,310 million representing a growth of 18.1% over the year ended 31 March 2018 (FY18).

Overall gross revenue grew 22.6% in FY19 to ₹ 78,194 million. On a constant currency basis, overall gross revenue grew 14.2% in FY19.

Direct International revenue grew 19.7% on a reported basis and 11.0% in constant currency basis in FY19 to ₹ 53,340 million. Direct Core, which constituted 82% of FY19 Direct International revenue, grew 25.4% in FY19 on a reported basis and 16.3% in constant currency basis. The growth has been broad based across existing key accounts, growth from Blackstone portfolio companies and other new accounts.

Revenue from DXC/HP business was ₹ 22,121 million in FY19 and constituted 28% of the gross revenue. The continued success in our strategic partnership with DXC helped us achieve a growth of 32.0% on a reported basis in FY19. Revenue grew 22.9% on a constant currency basis in FY19.

(₹ millions)

Market Segment	Year ended 31 Mar 2019	%	Year ended 31 Mar 2018	%
Direct International	53,340	68%	44,577	70%
DXC / HP Business	22,121	28%	16,754	26%
Others	2,732	4%	2,444	4%
Total	**78,194**		**63,775**	

Segment Revenues

A segment analysis of revenues for the year ended March 2019 is given below:

(₹ millions)

Segment	Year ended 31 Mar 2019	%	Year ended 31 Mar 2018	%
Banking and Capital Market	35,432	45%	30,685	48%
Insurance	9,072	12%	8,096	13%
Information Technology, Communication & Entertainment	13,356	17%	9,278	14%
Emerging Industries	20,333	26%	15,716	25%
Total Revenues	**78,194**		**63,775**	

All the business segments reported strong growth in FY19. Banking and Capital Markets and Insurance segments which comprises 57% of our revenue grew 15.5% and 12.1% respectively on a reported basis. In FY19, our growth in DXC/HP and in certain key Direct Core customers enabled growth in the other segments as well. Information Technology, Communication & Entertainment segment grew 44% YoY and Emerging Industries segment grew 29.4% YoY.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Revenues by Geography

(₹ millions)

Regions	Year ended 31 Mar 2019	%	Year ended 31 Mar 2018	%
AMERICAS	61,585	79%	50,842	80%
EMEA	8,783	11%	6,398	10%
INDIA	4,463	6%	4,087	6%
ROW	3,362	4%	2,448	4%
Total	**78,194**		**63,775**	

AMERICAS continue to be our focus market and AMERICAS revenue grew 21.1% in FY19 on a reported basis. Europe is another key focus areas for our growth. The revenues in EMEA region grew 37.3% in FY19. We will continue to increase our sales investments to bring in more growth from this region.

Revenues by Service Type

(₹ millions)

Service Type	Year ended 31 Mar 2019	%	Year ended 31 Mar 2018	%
Application Development	22,805	29%	16,142	25%
Application Maintenance	26,235	34%	21,396	34%
Customer Service	875	1%	945	1%
Service / Technical Help Desk	5,569	7%	4,423	7%
Transaction Processing Service	4,946	6%	4,404	7%
Infrastructure Management Services	10,599	14%	8,873	14%
Knowledge Processes	7,036	9%	7,446	12%
License Income	129	0%	147	0%
Total	**78,194**		**63,775**	

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 41.3% during FY19 primarily driven by our focus to grow in New-Gen services.

Application Maintenance involves maintenance of existing customer software and is mostly undertaken on annuity terms. Revenues grew by 22.6% during FY19.

Customer Services include receivables collection support, product support, enrolment etc. provided to clients through BPO operations.

Service/Technical Help Desk comprise of inbound and outbound customer interaction programs including technical product support, customer care and allied services. Revenues grew by 25.9% during the year.

Transaction Processing includes claims and mortgage processing, account opening and maintenance, data processing and management. Revenues grew by 12.3% 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 centre services focused on migration, automation & other software services. Revenues grew by 19.4% during the year.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF 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 declined by 5.5% during the year because of higher mortgage rates in US and lower origination volumes.

License Income pertains to the income from license sale in the health care space of the Company's product Javelina and from Wynsure.

Revenues by Delivery Location

(₹ Millions)

Delivery Location	Year ended 31 Mar 2019	%	Year ended 31 Mar 2018	%
Onsite	45,122	58%	35,206	55%
Offshore	33,071	42%	28,569	45%
Total	**78,194**		**63,775**	

Onsite revenues increased by 28.2% in FY19 on a reported basis. Some of the large transformation deals won during the year and the New Gen revenues have higher onsite component of work.

Revenues by Project Type

(₹ Millions)

Project Type	Year ended 31 Mar 2019	%	Year ended 31 Mar 2018	%
Time and Material	59,047	76%	48,563	76%
Fixed Price	19,147	24%	15,213	24%
Total	**78,194**		**63,775**	

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations*

(₹ Millions)

	Year ended 31 Mar 2019	Year ended 31 Mar 2018	Growth %
Gross Revenues	**78,194**	**63,775**	22.6%
Adjustment from Hedging Reserve	(884)	1,683	-152.5%
Net Revenues	**77,310**	**65,458**	18.1%
Cost of Revenues	56,428	47,893	17.8%
% of Revenue	73.0%	73.2%	
Gross profit	**20,882**	**17,565**	**18.9%**
% of Revenue	27.0%	26.8%	
Selling Expenses	4,800	4,239	13.2%
% of Revenue	6.2%	6.5%	
General and administrative expenses	3,603	3,444	4.6%
% of Revenue	4.7%	5.3%	
Provision for doubtful debts	-	(33)	-100.0%
Operating Profit	**12,479**	**9,915**	**25.9%**
% of Revenue	16.1%	15.1%	
Foreign Exchange gain, net	168	96	75.4%
Other Income, net	1,599	1,525	4.9%
Interest Expenses	(174)	(130)	33.8%
Profit before tax before Exceptional item	**14,073**	**11,406**	**23.4%**
Exceptional item (net of taxes)	-	131	-
Profit before tax after Exceptional item	**14,073**	**11,275**	**24.8%**
Income Taxes	3,340	2,900	15.2%
Net profit before Exceptional item	**10,733**	**8,506**	**26.2%**
Net profit after Exceptional item	**10,733**	**8,375**	**28.2%**
Earnings per share (par value ₹ 10)			
Before Exceptional Item (₹)	56.05	43.32	29.4%
After Exceptional Item (₹)	56.05	42.66	31.4%

* 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 FY19 was at ₹ 56,428 million. Cost of revenues was 73.0% of revenues as compared to 73.2% during the previous financial year. Cost of revenues as % of revenues decreased marginally during the year as the operational improvements were partially offset by annual wage hike and higher onsite mix of revenue.

Operating Profit

Operating profit for the year ended March 2019 was ₹ 12,479 million. Despite the headwinds from hedge losses, operating margin improved by 100 bps to 16.1% in FY19 driven by revenue growth and cost optimizations.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Income Taxes

Income taxes were ₹ 3,339 million for the year ended March 2019 as compared to ₹ 2,900 million for the year ended March 2018. The effective tax rate decreased from 25.4% in FY18 to 23.7% in FY19.

Net Profit

Net profit after exceptional item for FY19 grew 28.2% over FY18 to ₹ 10,734 million. Growth in revenue and operating profit, lower tax rate helped Net profit growth in FY19. Net margin after exceptional item for FY19 was 13.9% as against 12.8% for FY18.

Earnings per share

Earnings per share after exceptional item grew from ₹ 42.66 for the year ended March 2018 to ₹ 56.05 for the year ended March 2019, which represents a growth of 31.4%. In FY19 we completed buy back of 7.3 million shares for a total cash outlay of ₹ 9,949 million.

Other Key Financial Ratios:

(₹ Millions)

Project Type	Year ended 31 Mar 2019	Year ended 31 Mar 2018
Debtors Turnover	5.1	5.4
Current Ratio	2.1	2.8
Interest Coverage Ratio	71.9	76.3
Debt Equity Ratio	0.1	0.1
Operating Profit Margin	16.1%	15.1%
Net Profit Margin (After Exceptional items)	13.9%	12.8%
Return on Equity	20.0%	14.4%
Inventory Turnover	**NA**	**NA**

The dividend pay-out in respect of the Financial Year ended March 31, 2018 and the buyback of shares completed during the Financial year helped the company grow the Return on Equity significantly. Your company continues to generate strong operating cash enabling it to maintain a healthy net cash position.

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 Mountain Trail Foods (India) Pvt. Ltd. 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 blue print 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 & Cognitive); driving multi-dimensions of business value with an integrated consumer-centric Front2Back™ 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 would influence towards building 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.

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.

DIRECTORS' PROFILE

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. Mr. Rakesh is also a member of the Wall Street Journal CEO Council as well as a contributor to the Forbes Technology Council. He has also worked with the TCG Group, a transnational private equity and investments firm as the Head of Banking & 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.

Recently, Mr. Rakesh won the '2019 American 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 recently 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 company.

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 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, the US, 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 President 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. He is an avid golfer and a patron of cricket and tennis.

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.

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 New Frontier Corp.

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, based in Luxembourg. 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 rapid-turn carve-outs and integrations.

Mr. Amit Dixit, Director

Mr. Amit Dixit joined the Board of Mphasis in September 2016. Mr. Dixit is a Senior Managing Director and Head of Private Equity in India, based in Mumbai. 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 TaskUs, Comstar, IBS Software Pte Ltd, Jagran Prakashan, Mid-Day Infomedia and Hindustan Power Projects. Mr. Dixit was previously a Director of Intelenet 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 ranging from finance and accounts to commercial and supply chain.

Mr. Dalmia has undergone a management training program with the Indian Institute of Management, Ahmedabad and subsequently worked extensively on "in-company" training at Unilever. 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.

DIRECTORS' PROFILE

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, Marshall 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, Marshall'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, Marshall was BCG's first Senior Partner and built the PE practice. Marshall 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 eighth Annual Report of your Company for the year ended 31 March 2019.

FINANCIAL PERFORMANCE

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

(₹ million)

Particulars	CONSOLIDATED		STANDALONE	
	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018
Total Income	79,077	67,079	35,526	33,965
Expenses	65,004	55,803	25,799	24,660
Profit before taxation	14,073	11,276	9,727	9,305
Net Profit	10,733	8,375	7,694	7,399
Transfer to General Reserve	769	740	769	740

Note: The figures are rounded off to the nearest integer.

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

Emergence of new technology does not alone drive disruption of an industry or business, customers do. Over the past few years, digital technology has been used to reinvent many industries by taking parts of customer value chains and creating experiences that have shifted customer expectations and created new pressures on traditional established enterprises. The decisions that customers make, based on the choice they have is unsettling the markets. The ability to transform a customer's journey and experience is the litmus test to make businesses successful.

This is leading to enterprises redefining their success paradigm and applying technology that would help them:

- Improve Customer Experience for end consumers, using digital tech in omni channel environment i.e., improve Net Promoter Score (NPS) for end customers;
- Develop knowledge of end customers, to be able to target products and services that are highly customized to individual consumer– age of Hyper-personalization;
- Expand wallet share with end customers – enable cross-sell through better NPS;
- Reduce product/service launch turn-around times and response times for customer service; and
- Decrease operating costs while achieving the business goals and above.

Every business is looking to apply digital technology to stay ahead. A digital business constantly progresses by redesigning core strategies, systems and processes based on data mining, hyper-personalization and customer obsession.

According to a Deloitte global survey, the number of Companies following the path of Artificial Intelligence (AI) innovators will likely increase in the next 18 to 24 months, as more leaders identify ways to use cognitive technologies to achieve strategic goals. These intelligent technologies are driving the optimal course of action and decision making for businesses. They are being used to solve complex problems ranging from pattern recognition, computer vision, and natural language processing to robotics and semantic web technology. Further, machine learning applications, like chatbots, are being delivered as off-the-shelf solutions.

As per Gartner, by 2020, there will be over 20 billion connected sensors, endpoints, and digital twins for potentially billions of things. The technology will enable organizations to evolve, nurture their ability to collect and visualize the right data, improve their analytics applicability and responsiveness to business objectives. The concept of digital twins is set to drive business efficiency, enhance problem-solving and create automated processes that can swiftly react to changing market conditions.

As an 'Applied Tech' Company solving challenges faced by enterprises, the Company is focused on architecting new business models, developing future proof data science-based solutions and nurturing a mindset that enables the Company's Enterprise clients towards making the journey to being a digitally enabled enterprise.

Recently, the Company introduced Autocode.AI™, an AI system that accelerates rapid prototyping and enables the creation of hyper-personalized software. Autocode.AI™, was developed by Mphasis NEXT Labs, the research and innovation hub, with the purpose of accelerating the development and deployment of software by applying AI capabilities. Autocode.AI™ leverages a variety of deep learning methods and is used by software engineering teams for rapid prototyping to accelerate the process of software development, including new code creation based on unstructured inputs and code fix for a range of issues including testing and vulnerabilities assessment.

Mphasis NEXT Labs team has also developed a virtual twin named Cognitive Twins which is an AI-powered agent, which collaborates with technology teams. Cognitive Twins helps developers to work through complex code related, technical, architectural, infrastructure, standardization, functional as well as non-functional queries and automatically suggests relevant answers, actions, precedents, cautions and trade-offs. The Cognitive Twins continually learns and adapts to the domains it is working in, the applications being built, the problems being encountered and the solutions which are the best for a situation. Deep Learning, Machine Learning, Graph Theory and Natural Language Processing are at the core of the Cognitive Twins agent architecture.

At Mphasis, learnability is core to the new mindset; being able to learn, take on new challenges and have a drive to constantly improve. With constant disruption in the industry, agility, experimentation and innovation is the way to grow through iterative processes at a rapid pace. People who show high learnability are sure to find the best of opportunities for growth and success at Mphasis. Learnability drives the 4Gs of Growth – Growth that is consistent, competitive, profitable and responsible.

The Company has embarked on an exciting journey, called Talent Next, to reinvent its talent management approach. Talent Next enables upskilling and reskilling in next-gen and cutting-edge skills to remain future relevant. The measure of the individual's learnability is their Geek Quotient or Learning Quotient (LQ). This is a measure of various factors which include:

- Intrinsic element like desire to learn;
- Observable behaviours, including the pace of learning, depth of learning (as seen in the proficiency levels) and breadth of learning (ability in adjacent and complementary skills);
- Application of the learning – innovations, new initiatives and customer value propositions that reinforce customer first approach; and
- Alignment to the organizational values and core beliefs.

DIVIDEND

The directors are pleased to recommend a final dividend of ₹27/- per equity share of ₹10 each for the financial year ended 31 March 2019, subject to your approval at the ensuing Annual General Meeting.

ACQUISITION OF STELLIGENT SYSTEMS LLC

The advent of public cloud infrastructure and SaaS software have elevated the importance of rapid automation in product development and product engineering for enterprises moving to the cloud. In order to accelerate growth towards this opportunity and augment cloud-based services, the Company through its wholly owned subsidiary, Mphasis Corporation, USA, acquired Stelligent Systems LLC (Stelligent), in November 2018.

Stelligent is a technology services company specializing in DevOps and DevSecOps solutions on the Amazon Web Services (AWS) public cloud. Head quartered in Reston, Virginia, USA, Stelligent is an AWS Premium Partner Network (APN), Advanced Consulting Partner and holds both AWS DevOps and Financial Services expertise in deploying their customers' applications on AWS with greater speed, agility, and security. Consequent to acquisition, Stelligent Systems LLC is a subsidiary of Mphasis Corporation, USA.

Together with Stelligent and its community heroes in the AWS ecosystem, Mphasis is uniquely positioned to take advantage of this market opportunity. This acquisition allows the Company to join forces with a technically-deep company, bringing innovative, in-depth cloud solutions to enterprises in all Mphasis client segments.

BUYBACK

During the year under review, the shareholders of the Company, approved buyback up to 7,320,555 Equity Shares of the Company, representing 3.79% of its total paid-up equity share capital, at a price of ₹1,350/- per equity share payable in cash for an aggregate amount up to ₹9,882.75 million, excluding any expenses incurred for the buyback, on a proportionate basis under the Tender Offer method under the SEBI (Buyback of Securities) Regulations, 2018.

After obtaining necessary approvals, the buyback opened on 7 December 2018 and closed on 20 December 2018. The Company completed buyback of 7,320,555 equity shares of the Company at a price of ₹1,350/- per equity share from the existing shareholders, on a proportionate basis under the Tender Offer method. Pursuant to Section 69 of the Companies Act, 2013, the Company has transferred ₹73.21 million to the Capital Redemption Reserve account, being the nominal value of shares bought back.

Consequent to the above, the paid-up equity share capital of the Company is reduced to the extent of the shares bought back by the Company.

BOARD'S REPORT

ENTERPRISE RISK MANAGEMENT

Enterprise risk management at Mphasis encompasses practices relating to Identification, assessment, monitoring, mitigation and reporting of strategic, operational, 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.

The program is benchmarked to COSO guidelines and ISO 31000 and the details of risks assessments are reviewed by the Audit Committee on a quarterly basis.

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.

INTELLECTUAL PROPERTY

Mphasis recognizes Intellectual Property to be a key business enabler in augmenting both linear and non-linear revenue while increasing customer confidence and enterprise valuations. The Company's service transformation program allows for development of intellectual property assets to enable execution of projects for its customers by providing seamless customer experience, superior mindshare, enhanced connects with their business and speed to market. Mphasis NEXT Labs continues to focus on research and innovation on emergent and future paradigms related to Mphasis' focus areas through disruptive world-class innovations, thought leadership and industry relevant solutions.

The Mphasis Technology Council was launched during FY19 to proactively expose the Company's applied technology forward looking views to the clients, enabling strategic thought leadership collaboration for best in class business outcomes. The Company protects its Intellectual Property Rights through comprehensive IP framework covering IP checks, confidentiality procedures and contract management.

CORPORATE GOVERNANCE

A report on Corporate Governance along with a certificate from the Auditors confirming the compliance for the year ended 31 March 2019 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed and forms part of this report.

EMPLOYEES

Mphasis continues to maintain its focus on attracting, hiring, training and inducting top Industry talent. On the hiring front, the Company recruited exceptional talent from the top tier engineering and management colleges across the country and trained the fresh talent. The focus is on optimized training duration, exhaustive coverage of all foundational skills, greater emphasis and stress on knowledge application, continuous monitoring of trainee performance and exposure to project environment through real-life Lab.

Mphasis, as a Company, constantly enables and encourages the employees to be empowered, happy and enthusiastic about work. The Company's total rewards program is based on principles of equality and is designed to support its culture of high performance and innovation. Mphasis continues to base pay philosophy and variability in compensation on a 'Pay for Performance' ideology for all employees including managerial levels across geographies. This year, the Company also undertook an initiative to make employee leave policy more beneficial by increasing the days of Adoption Leave for male employee (Single Parents), Paternity Leave, Fertility Treatment Leave and Gender Reassignment Leave.

The Company also embarked on the journey of Talent Next with the aim to transform its culture into one that values and rewards learning. Talent Next is tightly linked to the strategy of X2C^{2}™ cutting across all lines of businesses and geographies where each employee will be actively engaged and benefitted. Talent Next was developed from scratch to automate more than 90% of the processes related to nomination, learning, certification, query handling issue resolution. Skill development sessions were launched for 78 technical skills covering present requirements and Next Generation skill categories. The plan for the upcoming year is to have sessions for over 350 skills. Although the Company has achieved a stellar success rate in-terms of people certified, it would like to move towards certification for on demand practices from the current model of sprint-based certifications.

Like every year, Mphasis celebrated diversity within the Company and strengthened it further by hosting an array of activities from financial awareness for women employees to leader talks with successful Leader from the Industry.

To propagate fun, bonding and celebration at work, Mphasis hosted its flagship events such as Bring Your Child to Work, Bring your Parents to Work and Mphiesta. Mphasis gives paramount importance to employees' health and welfare and hence, organized Yoga, Health Talks and Awareness Sessions to promote health as a crucial element of engagement at work. The Company also maintains active communities such as photography and sports to provide employees a platform to express their creativity and keep enthusiasm and novelty alive at the workplace.

BOARD'S 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. Its constant endeavour has been to support unique initiatives with the potential to deliver substantial social impact and to promote equity, inclusion and empowerment of the under represented and under served communities. It has attempted to look at the solutions to disrupt the status quo and bring in fresh thinking and approaches to the existing problems of exclusion, deprivation and poverty alleviation. It follows an "inch wide – mile deep" approach in all its initiatives and goes beyond focusing just on service delivery programs.

During the year, the Company spent ₹182.20 million on the CSR expenditure as against the mandated spend of ₹182.15 million. The highlights of the CSR activities are as follows:

Education

One of Mphasis flagship programs in Education is Arivu-Disha, in partnership with Headstreams. The program uses play to improve learning outcomes in government schools. Among others, this includes developing play-based content, setting up play-based learning environments in schools and motivating teachers to take ownership to integrate play in teaching. The program has evolved continuously over the last four years and has generated exceptional results. So far, the program has reached out to 9,500 students in Bengaluru, Hosakote and Kolar districts in Karnataka.

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

Mphasis entered another new partnership with Rethinking Higher Education Foundation (RHEF) to set up Plaksha University, with a focus on technology, entrepreneurship and interdisciplinary thinking to solve real-world problems. Expected to be functional by 2021, the university aims to be world class with various tie-ups with reputed international institutions such as UC Berkeley, Purdue and Stanford. As one of the founding members, Mphasis F1 Foundation is supporting the University in building accessible and inclusive infrastructure and research facilities and Labs in areas of AI, Machine Learning, IoT and Robotics as well as providing scholarships for students from lower socio-economic background and students with disabilities.

Inclusion

In keeping with the Company's focus on promoting accessibility, Mphasis in partnership with Uber launched UberAccess, India's first affordable accessible taxi service that became operational in Bengaluru. It has a fleet of 39 cabs currently and the users can book a taxi through the Uber app. Mphasis-UberAssist service, an option for users who need extra assistance while using transportation was also launched in 2018. This service line has a fleet of 500 Uber cabs with drivers trained in disability etiquette. With this partnership Mphasis has enabled to provide safe, dignified and on demand travel options for persons with disabilities and reduced mobility to enhances their choice and Independence.

Mphasis' partnership with National Centre for Promotion of Employment for Disabled People (NCPEDP) on the program 'Make India Accessible' has grown over the years. Systematic and sustained advocacy with various stakeholders in the Government has resulted in a number of positive policy developments to improve accessibility for persons with disabilities, the most significant being the passage of the new Rights of Persons with Disabilities (RPWD) Act. During the last two years, the focus has been to support effective implementation of the Act across the country. In recognition for their stellar efforts in successfully advocating for RPWD Act, Mphasis and NCPEDP were jointly conferred the prestigious Zero Project Award in February 2019 .

Livelihood

In keeping with the Company's firm commitment to support social entrepreneurship, Mphasis partnered with NSRCEL, a start-up incubation centre at IIMB to identify scalable for-profit social ventures and help them build financially sustainable models. The 5 winners from the partnership are undergoing long term incubation (18 to 24 months) after a 3-month long acceleration program.

Non-profits also have a substantial role to play in improving the lives of communities in need. In line with this, Mphasis partnered with N/Core to incubate scalable non-profit social ventures across multiple sectors. The first cohort of 10 organizations from the partnership graduated in January 2019.

Mphasis has been supporting The Nudge Gurukul program since 2015. With a rigorous focus on bridging the gender gap, Mphasis partnered with The Nudge to support exclusive Women's Gurukul, to provide them an opportunity to escape from the cycle of poverty. So far, the program has trained around 168 women from under privileged backgrounds.

Another program under Livelihood is integrated digital clusters in partnership with DEF. The program is intended to transform the lives of artisans and the weavers' community in Musiri, Trichy, Tamilnadu by training them on new age digital design techniques, reducing information asymmetries, fostering entrepreneurship and establishing direct market linkages. The program has impacted 1720 weavers so far.

PREVENTION OF SEXUAL HARASSMENT

The Company's Code of Business Conduct (COBC) provides broad directions 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.

Mphasis 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. The work place in context of SH is not restricted to the office but includes extended work areas such as Client's place, work related travel, cafeterias and Company sponsored events, to name a few.

In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has established Internal Complaints Committees at all its locations. During FY 2019, 59 sexual harassment complaints were filed, out of which 42 complaints were disposed of in terms of the aforesaid Act as on 31 March 2019. Complaints outstanding will be investigated and disposed within the prescribed timeline.

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.

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 Whistle Blower Policy to enable persons who observe unethical practices (whether or not a violation of law), to approach the Whistle Blower 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. This Policy covers all Mphasis group Companies and its affiliates and further extends to all Mphasis suppliers and contractors engaged in rendering the services.

There are various channels to report actual or suspected fraud or violation of the Company's Code of Conduct or Ethics policy i.e. through e-mail to the Whistle Blower office at whistleblower@mphasis.com, written complaint can be dropped into the Whistle-blower drop box at the respective Company's location and via telephone where a complaint can be left at the Whistleblower Hotline. The Chairman of the Audit Committee is the Ombudsperson under Whistleblower Policy. A complaint can be reported to the Ombudsperson (Ombudsperson@mphasis.com) where the complainant feels that the complaint has not been addressed or actioned in a timely and appropriate manner or if the complaint is against any member of the Whistleblower Committee or the Executive Council.

The Whistleblower policy is published on the Mphasis website making it accessible to all. Mphasis will keep the identity confidential and prohibits retaliation against a whistleblower with the intent or effect of adversely affecting the terms or conditions of employment (including but not limited to, threats of physical harm, loss of job, punitive work assignments, or impact on salary or wages).

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year, Mr. Marshall Jan Lux was appointed as an additional director of the Company effective 7 August 2018. Mr. Lux has been a financial services consultant and practitioner for over 30 years. He began his career at McKinsey where he served all manner of financial service firms across a variety of sub-sectors and functional areas. Mr. Lux led McKinsey's and BCG's private equity practice. He has extensive relationships across financial services and private equity firms. Pursuant to Section 161 of the Companies Act, 2013, the additional director holds office until the ensuing Annual General Meeting. However, the Company has received a notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature to the office of directorship. Accordingly, necessary resolution proposing the appointment is placed before the members at the ensuing Annual General Meeting.

The members, at the twenty fourth Annual General Meeting held on 9 September 2015, had appointed Mr. Brar as an Independent Director for a term of five years effective 1 October 2014. Accordingly, the current term of Mr. Brar expires on 30 September 2019. Pursuant to Section 149 of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Brar is eligible for being re-appointed as an Independent Director for another term of five consecutive years effective 1 October 2019 ("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 27 May 2019, approved, subject to approval of the members at the ensuing Annual General Meeting, the Re-appointment of Mr. Brar as an Independent Director.

Mr. Dario Zamarian resigned as a director of the Company effective 6 August 2018. The Board places on record its appreciation for the services rendered by Mr. Zamarian during his tenure as a director of the Company.

In accordance with Section 152 of the Companies Act, 2013, Mr. Amit Dixit and Mr. Paul James Upchurch 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.

STATUTORY AUDITORS

The members have at the Twenty Seventh Annual General Meeting held on 7 August 2018, appointed M/s. B S R & 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.

The requirement of seeking approval of the members for ratification of appointment of the Statutory Auditors at every Annual General Meeting has been dispensed with as per the Companies (Amendment) Act, 2017. Accordingly, no such item has been placed for approval of the members at this 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 2019.

SECRETARIAL AUDITOR

The Board had in its meeting held on 24 January 2019 appointed Mr. S P Nagarajan, Practicing Company Secretary, as the Secretarial Auditor of the Company for the financial year ended 31 March 2019. In addition, as required under the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, 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, 2018, the secretarial audit report of the Company and its material subsidiary for the financial year 2019 are annexed and forms part of this Report. The audit reports does 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 2019.

BUSINESS RESPONSIBILITY REPORT (BRR)

The Company's business responsibility ingrains the spectrum of nine principles of National Voluntary Guidelines issued by the Ministry of Corporate Affairs, Government of India, along with their key elements. 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. The Company reported its performance for the financial year 2019 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 2019 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 2019, the 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.

BOARD'S REPORT

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.

As required under the law, 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 OPTION PLANS AND RESTRICTED STOCK UNIT PLANS

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

The Company currently 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 – 2014 (RSU 2014) and Mphasis Restricted Stock Unit Plan – 2015 (RSU 2015). During the year the Company has allotted 278,712 shares pursuant to exercise of stock options and RSUs under ESOP 1998, ESOP 2016, RSU 2014 and RSU 2015 Plans.

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 2019 is annexed to the Board's report and also uploaded on the website of the Company at www.mphasis.com.

DIRECTORS' INTEREST AND RELATED PARTY DISCLOSURES

No director was interested in any contracts or arrangements existing during or at the end of the year that was significant in relation to the business of the Company. No director holds any shares or stock options in the Company as on 31 March 2019 except Mr. Nitin Rakesh, Chief Executive Officer and Executive Director, who holds 9,09,000 stock options. None of the directors has any other interest in the share capital of the Company as at 31 March 2019. All the transaction 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, 278,712 shares pursuant to exercise of stock options and restricted stock units. The Company has also allotted 700 shares on 23 May 2018, being release of bonus shares kept in abeyance. Consequent to the completion of buyback, the paid-up share capital has been reduced by 7,320,555 shares.

The Paid up Share Capital of the Company as on 31 March 2019 stood at ₹1862.26 million and Reserves and Surplus stood at ₹50,636 million (consolidated basis) and ₹30,774 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 2019 in Form MGT-9 is annexed and forms part of this report.

BOARD'S 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

The 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.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. CONSERVATION OF ENERGY :

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.

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 carbon foot prints 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).

Mphasis 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	29,903
(b)	Foreign Exchange outgo in terms of actual outflows during the year	5,204

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS:

There were no significant and 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. The Directors also thank the government agencies of various other countries where there are operations of Mphasis.

Your directors would like to place on record their appreciation for the Employees of the Company and its subsidiaries, at all levels, for their hard work and commitment. Their dedication and competence have ensured that the Company continues to be a significant and leading player in the Industry.

For and on behalf of the Board of Directors

Paris, France
27 May 2019

Davinder Singh Brar
Chairman

ANNEXURE TO THE BOARD'S REPORT

Annual Report on CSR Activities for the year ended 31 March 2019

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/Corporate%20%20Social%20Responsibility%20Policy%20.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:**

   ₹9,107.62 Million

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

   ₹182.15 Million

5. **Details of CSR spent during the financial year.**

   a) Total amount spent during the financial year ended 31 March 2019 – ₹182.20 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 of Directors

Nitin Rakesh
Chief Executive Officer

Narayanan Kumar
Chairman of CSR Committee

Paris, France
27 May 2019

Annexure to CSR Annual Report: Manner in which the amount spent during the financial year ended 31 March 2019 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 19 (₹ million)	Details of the Implementing Agency
			Local	District / State	CSR Amount outlay	Expenditure on Projects	Overheads		
1	Uber WAV	Inclusion	✓	Bengaluru- Karnataka	29.46	29.46	Nil	141.48	Uber BV
2	Arivu Disha	Education	✓	Bengaluru- Karnataka	20.56	20.56	Nil	78.38	Headstreams
3	Make India Accessible	Inclusion	X	Pan India	16.39	16.39	Nil	56.16	National Centre for Promotion of Employment for Disabled People
4	Residential Skilling Program	Livelihood	✓	Bengaluru - Karnataka	9.24	9.24	Nil	35.41	The Nudge Foundation
5	NASSCOM SOCIAL INNOVATION FORUM	Education	X	National	9.00	9.00	Nil	40.77	NASSCOM FOUNDATION
6	Mphasis Research Chair on Digital Accessibility at IIM Bengaluru	Inclusion	X	Pan India	4.72	4.72	Nil	25.61	IIM Bengaluru
7	Setting up on STP at Mahadevapura Lake	Inclusion	✓	Bengaluru - Karnataka	6.22	6.22	Nil	22.93	United Way Bengaluru
8	Cognitive Computing Centre of Excellence	Education	✓	Bengaluru - Karnataka	15.30	15.30	Nil	25.16	IIIT Bengaluru
9	NSRCEL IIM Bengaluru	Education	✓	Bengaluru - Karnataka	15.20	15.20	Nil	20.70	IIM Bengaluru
10	Katalyst	Livelihood	✓	Pune- Maharashtra	4.41	4.41	Nil	11.66	Third sector partners
11	SOS Children's Villages of India	Education	✓	Bengaluru - Karnataka	2.94	2.94	Nil	6.68	SOS Children's Villages of India
12	Digital Financial Literacy Program	Inclusion	✓	Bengaluru - Karnataka	Nil	Nil	Nil	2.46	Mphasis F1 Foundation
13	Digital Literacy & Design Ecosystem For Rural Artisans	Livelihood	✓	Trichy – Tamil Nadu	6.74	6.74	Nil	9.39	Digital Empowerment Foundation
14	Chennai Floods Relief	Inclusion	✓	Chennai – Tamil Nadu	Nil	Nil	Nil	Nil	Habitat For Humanity
15	Skilltrain – Digital App For Skilling	Livelihood	X	Pan India	Nil	Nil	Nil	Nil	Villgro Innovations Foundation
16	National Digital Literacy Mission Centres	Education	✓	Pune – Maharashtra / Chennai – Tamil Nadu	Nil	Nil	Nil	Nil	NASSCOM Foundation
17	Vocational Skilling Program for Persons with disabilities	Livelihood	✓	Bengaluru - Karnataka	Nil	Nil	Nil	1.31	Enable India
18	Nanagu Shaale – mainstreaming children with disabilities	Inclusion	✓	Bengaluru – Karnataka	Nil	Nil	Nil	7.83	Fourth Wave Foundation
19	Kickstart Cabs	Inclusion	✓	Bengaluru – Karnataka	Nil	Nil	Nil	23.28	IIIT Bengaluru
20	Akshardeep – Remedial School Support Program	Education	✓	Pune – Maharashtra	Nil	Nil	Nil	2.37	Swadhar
21	Remedial School Support Program	Education	✓	Mumbai – Maharashtra	Nil	Nil	Nil	3.37	Each One Teach one
22	Education Sponsorships For Children	Education	✓	Chennai – Tamil Nadu	0.35	0.35	Nil	1.61	Suyam Charitable Trust
23	Remedial School Support Program	Education	✓	Pune – Maharashtra	Nil	Nil	Nil	0.73	Jagruti Seva Sanstha
24	Contribution to PM Relief Fund- Assam Floods	Inclusion	✓	Assam	Nil	Nil	Nil	6.36	PM Relief Fund
25	Contribution to F1 Foundation	Inclusion	✓	Bengaluru – Karnataka	Nil	Nil	Nil	0.50	Mphasis F1 Foundation
26	Market Aligned Skills Training	Livelihood	X	Bhubaneshwar – Orissa	Nil	Nil	Nil	1.41	Anudip Foundation
27	Aalamba-Women entrepreneurship support	Livelihood	✓	Bengaluru – Karnataka	Nil	Nil	Nil	2.71	Headstreams
28	Chennai Floods Relief Support	Disaster Relief	✓	Chennai – Tamil Nadu	Nil	Nil	Nil	0.98	Bhoomika Trust
29	Education for children from migrant communities	Education	✓	Bengaluru-Karnataka	0.50	0.50	Nil	0.50	Diya Ghar
30	Support to Non-Profit start-up incubation-N/Core	Livelihood	✓	Bengaluru-Karnataka	17.70	17.70	Nil	17.70	The/Nudge Foundation
31	Two school buses for Stonehill Govt. Higher Primary School	Education	✓	Bengaluru-Karnataka	4.80	4.80	Nil	4.80	Embassy Group
32	Support to Plaksha University	Education	X	Mohali-Punjab	10.00	10.00	Nil	10.00	Reimagining Higher Education Foundation
	CSR Office Costs				8.68	Nil	8.68		
	Total				182.20	173.52	8.68	562.24	

For and on behalf of the Board

Nitin Rakesh
Chief Executive Officer

Narayanan Kumar
Chairman of CSR Committee

Paris, France
27 May 2019

ANNEXURE TO THE BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 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, 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 2019 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, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2019 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 clause 55A of the SEBI (Depositories and Participants) Regulations, 1996 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 are 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 are 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 are not applicable during the year under review; and
      i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

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 27th Annual General Meeting held on 7th August 2018;
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 no secured loans during the year under review and consequently there were no requirements with regard to creation, modification or satisfaction of charges;
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 has 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 Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

   Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance in accordance with Section 173(3) of the Act and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

   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) there are no prosecution 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:

   i) The shareholders through postal ballot (including e-voting) approved the buyback of up to 7,320,555 fully paid equity shares of ₹ 10 each at a price of ₹ 1,350 per share aggregating to ₹ 9,882.75 million.

S.P. NAGARAJAN
Company Secretary

Place: Bengaluru
Date : 27 May 2019

ACS Number: 10028
CP Number : 4738

ANNEXURE TO THE BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

[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 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 Board of Directors,
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, 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 2019 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, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2019 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

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 that the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 (the Act) and the rules made thereunder and with the enabling provisions of the Memorandum and Articles of Association of the Company, wherever applicable with regard to:

   a) maintenance of various statutory registers and documents and making necessary entries therein;
   b) forms, returns, documents and resolutions required to be filed with the Registrar of Companies/Ministry of Corporate Affairs and the Central Government;
   c) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
   d) notice of Board meetings of Directors;
   e) the meetings of Directors including passing of resolutions by circulation;
   f) the 18th Annual General Meeting held on 6th August 2018;
   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, 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.

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 has 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. There were no changes in the composition of the Board of Directors during the year under review. The Company has appointed a Whole-time Company Secretary with effect from 27th June 2018.

   Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast 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 are 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** 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) there are no prosecution initiated by any statutory authorities and no fines or penalties were imposed during the year under review under the Act and Rules, Regulations and Guidelines framed under these Acts against/on the Company, its Directors and officers.

S.P. NAGARAJAN
Company Secretary

Place: Bengaluru
Date : 27 May 2019

ACS Number: 10028
CP Number : 4738

ANNEXURE TO THE BOARD'S REPORT

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with Section 134(5) of the Companies Act, 2013, the directors confirm and state as follows for the financial year ended 31 March 2019:

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
3. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the directors had prepared the annual accounts on a going concern basis;
5. That directors had devised proper systems to ensure compliance with the provisions of applicable laws and such systems are adequate and operating effectively; and
6. That as regards Internal Financial Controls, the directors to the best of their knowledge and belief and according to the information and explanations provided, make the following statements:

   a) That we are responsible for establishing and maintaining internal financial controls to be followed by the Company that are adequate and operate effectively.

      The Company's internal financial controls are deployed through a framework that addresses material risks in the Company's operations and financial reporting objectives. The framework is a combination of entity level controls (including Enterprise Risk Management, Legal Compliance Framework, Internal audit and Anti-fraud Mechanisms such as Ethics Framework, Code of Conduct, Whistle blower Policy, etc.), process level controls, information technology-based controls, period end financial reporting and closing controls.

      Internal financial controls cannot provide absolute assurance of achieving financial, operational and compliance reporting objectives because of its inherent limitations. Also, projections of any evaluation of the internal financial controls to future periods are subject to the risk that the internal financial control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

   b) The Company's management has carried out the evaluation of design and operating effectiveness of these controls and noted no significant deficiencies / material weaknesses that might impact financial statements as at the balance sheet date.

For and on behalf of the Board of Directors

Paris, France
27 May 2019

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 2019, 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.

Paris, France
27 May 2019

Nitin Rakesh
Chief Executive Officer

FORM AOC - I

Statements containing salient features of the financial statements of subsidiaries / associate companies / joint ventures
(Pursuant to first proviso to sub-section(3) of section 129 read with rule 5 of the Companies (Accounts) Rule, 2014)

(₹ million)

Sl. No.	Name of the subsidiary	Reporting Period	Reporting Currency	Exchange Rate	Share Capital			Reserves 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 sharehold-ing
					Equity	Prefer-ence	Total						Profit / (Loss)	Expense / (Credit)	Profit / (Loss)		
1	Mphasis Corporation	01-04-2018 to 31-03-2019	USD	69.155	-	-	-	8,556.74	20,669.39	12,112.65	-	40,828.07	2,913.67	823.44	2,090.23	-	100
2	Mphasis Deutscheland GmbH	01-04-2018 to 31-03-2019	EUR	77.673	2.10	-	2.10	102.14	416.16	311.92	-	563.23	11.39	3.90	7.49	-	91
3	Mphasis Australia Pty Limited	01-04-2018 to 31-03-2019	AUD	49.020	0.05	-	0.05	535.63	1,509.54	973.86	-	1,890.56	(25.16)	(10.25)	(14.91)	-	100
4	Mphasis (Shanghai) Software & Services Company Ltd	01-01-2018 to 31-12-2018	CNY	10.288	238.76	-	238.76	(64.39)	368.45	194.08	-	29.20	30.29	(7.72)	38.01	-	100
5	Mphasis Consulting Limited	01-04-2018 to 31-03-2019	GBP	90.525	1.34	-	1.34	600.24	604.25	2.67	-	3.60	1.77	(0.58)	2.35	-	100
6	Mphasis Belgium BVBA	01-04-2018 to 31-03-2019	EUR	77.673	0.43	-	0.43	442.49	746.45	303.53	-	1,396.13	203.50	64.59	138.91	-	100
7	Mphasis Europe BV	01-04-2018 to 31-03-2019	EUR	77.673	477.01	-	477.01	11,164.33	12,267.58	626.24	-	1,072.65	(16.74)	(30.46)	13.72	-	100
8	Mphasis Pte Ltd	01-04-2018 to 31-03-2019	SGD	51.038	152.86	-	152.86	375.92	649.72	120.94	-	710.69	117.94	17.93	100.01	-	100
9	Mphasis UK Limited	01-04-2018 to 31-03-2019	GBP	90.525	0.24	-	0.24	10,589.74	11,694.57	1,104.59	-	2,961.97	169.28	29.36	139.92	-	100
10	Mphasis Software & Services (India) Private Limited	01-04-2018 to 31-03-2019	INR	1.000	100.00	-	100.00	1,585.17	1,695.08	9.91	1,031.12	0.88	113.71	12.67	101.04	-	100
11	Msource Mauritius Inc.	01-04-2018 to 31-03-2019	USD	69.155	592.35	-	592.35	36.70	630.90	1.85	-	-	(0.74)	-	(0.74)	-	100
12	Msource (India) Private Limited	01-04-2018 to 31-03-2019	INR	1.000	66.85	-	66.85	8,833.57	9,115.22	214.80	5,580.23	1,338.53	745.69	224.85	520.84	-	100
13	Mphasis Ireland Limited	01-04-2018 to 31-03-2019	EUR	77.673	0.56	-	0.56	41.84	43.33	0.93	-	10.91	3.80	0.37	3.43	-	100
14	Mphasis Lanka (Private) Limited	01-04-2018 to 31-03-2019	LKR	0.393	55.49	-	55.49	(55.49)	-	-	-	-	-	-	-	-	100
15	Mphasis Infrastructure Services Inc.	01-04-2018 to 31-03-2019	USD	69.155	0.05	-	0.05	(1,250.59)	198.66	1,449.20	-	8.60	(90.51)	0.45	(90.96)	-	100
16	Mphasis Poland s.p.z.o.o.	01-04-2018 to 31-03-2019	PLN	18.073	1.99	-	1.99	(7.15)	113.75	118.91	-	159.47	5.91	(0.11)	6.02	-	100
17	PT. Mphasis Indonesia	01-04-2018 to 31-03-2019	IDR	0.005	4.60	-	4.60	(4.46)	0.79	0.65	-	-	0.15	0.01	0.14	-	100
18	Mphasis Wyde Inc.	01-04-2018 to 31-03-2019	USD	69.155	-	-	-	10,799.96	15,345.07	4,545.11	-	-	(139.54)	132.97	(272.51)	-	100
19	Wyde Corporation	01-04-2018 to 31-03-2019	USD	69.155	3.11	-	3.11	(993.64)	949.28	1,939.81	-	594.42	(109.93)	0.34	(110.27)	-	100
20	Mphasis Wyde SASU	01-04-2018 to 31-03-2019	EUR	77.673	2.53	-	2.53	(720.41)	341.15	1,059.03	-	669.60	(75.38)	-	(75.38)	-	100
21	Wyde Solutions Canada Inc.	01-04-2018 to 31-03-2019	CAD	51.540	0.05	-	0.05	(138.46)	25.00	163.41	-	37.33	15.91	(1.64)	17.55	-	100
22	Mphasis Philippines Inc	01-04-2018 to 31-03-2019	PHP	1.312	11.34	-	11.34	5.40	17.34	0.60	-	-	(2.29)	-	(2.29)	-	100
23	Digital Risk LLC	01-04-2018 to 31-03-2019	USD	69.155	942.62	-	942.62	(124.60)	2,953.13	2,135.11	-	3,493.30	(170.00)	-	(170.00)	-	100
24	Digital Risk Mortgage Services, LLC	01-04-2018 to 31-03-2019	USD	69.155	1,151.73	-	1,151.73	1,918.79	3,395.99	325.47	-	3,856.58	705.66	46.90	658.76	-	100
25	Investor Services, LLC	01-04-2018 to 31-03-2019	USD	69.155	-	-	-	679.66	679.66	-	-	3.14	2.92	-	2.92	-	100
26	Digital Risk Valuation Services, LLC	01-04-2018 to 31-03-2019	USD	69.155	-	-	-	(1,170.98)	0.21	1,171.19	-	0.56	(0.21)	-	(0.21)	-	100
27	Stelligent Systems, LLC	01-04-2018 to 31-03-2019	USD	69.155	-			13.42	308.64	295.22		376.20	(51.32)	-	(51.32)	-	100
Total					3,806.06	-	3,806.06	51,751.57	84,739.31	29,181.68	6,611.35	60,005.62	4,359.77	1,307.02	3,052.75		

Notes :

1 There are no other Subsidiaries which are yet to commence operation.
2 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.
3 On 31 March 2017 the management of Digital Risk LLC resolved to close the operations of Digital Risk Europe, OOD
4 On 16 April 2018, the shareholders of PT. Mphasis Indonesia resolved to dissolve and liquidate the entity.
5 On 8 November 2018 (acquisition date), the Company through its wholly owned subsidiary, Mphasis Corporation, acquired of Stelligent Systems LLC.
6 The Company does not have any Associates or Joint Venture.
7 Exchange rate applied is at 31 March 2019.
8 There are no dividend proposed from any of the Subsidiaries.
9 The reporting period of the Subsidiaries is 31 March of every Year except for Mphasis (Shanghai) Software and Services Company Limited which is 31 December of every year.

For and on behalf of the Board of Directors

Nitin Rakesh
Chief Executive Officer

Narayanan Kumar
Director

Suryanarayanan V
Executive Vice President &
Chief Financial Officer

Subramanian Narayan
Vice President & Company Secretary

Paris, France
27 May 2019

ANNEXURE TO THE BOARD'S REPORT

DISCLOSURE UNDER SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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

Particulars	ESOP 1998		ESOP 2016	RSU 2014	RSU 2015
	Version I	Version II			
Date of Shareholders' Approval	31 July 1998		4 November 2016	30 July 2014	9 September 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
Pricing formula	Refer table below [Note 4]				
Total number of Stock Options/Restricted Stock Units outstanding at the beginning of the year (2018-2019)	47,000	-	4,958,886	35,455	83,850
Number of Stock Options/Restricted Stock Units granted during the year	-	-	223,000	-	-
Number of Stock Options/Restricted Stock Units lapsed and forfeited during the year	-	-	302,260	1,354	750
No. of Stock Options/RSUs vested during the year	-	-	946,736	-	-
No. of Stock Options/RSUs exercised during the year	-	-	203,910	28,788	46,014
Total number of shares arising as a result of exercise of Options	-	-	203,910	28,788	46,014
Money realized by exercise of options during the year (In Rupees)	-	-	102,942,150	287,880	460,140
Number of Stock Options/Restricted Stock Units outstanding as at the end of the year	47,000	-	4,675,716	5,313	37,086
Total number of options exercisable at the end of the year	47,000	-	1,388,326	5,313	37,086
Loan repaid by the Trust during the year from the exercise price received	NA	NA	NA	-	-
Employee wise details of Options granted to					
(a) Senior Managerial Personnel :	NIL				
(b) Employees, who were granted, during any one year, options amounting to 5% or more of options granted during the year:	Refer table below [refer note 5]				
(c) Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (exceeding outstanding warrants and conversion) of the company at the time of grant.	NIL				
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 is Nil for the year ended 31 March 2019 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.				

Particulars	ESOP 1998		ESOP 2016	RSU 2014	RSU 2015
	Version I	Version II			
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 Refer Note 6				

Notes:

1. Refers to Options as approved by shareholders and accordingly excludes the adjustment for Bonus Issues.
2. There has been no variation in the Employee Stock Option and Restricted Stock Units Plan of the Company during the year.
3. The diluted EPS of Mphasis Group for the financial year ended 31 March 2019, pursuant to issue of shares on exercise of options, is ₹ 55.50 per share.
4 Pricing Formulae for the stock option/RSU schemes:

Schemes	Pricing Formulae
ESOP 1998 (version I)	No options have been granted under this Scheme during the financial year 2018-19. 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 2018-19. Earlier, for employees in service as on 10 January 2000, the market price prevalent on the 15th 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 2018-19. 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 2018-19. 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	223,000 stock options have been granted during the year under this Plan at an exercise price of ₹ 941 per option. 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. Details of Employees who received grant of options equivalent to 5% of more of the total options granted during the year ended 31 March 2019

(₹ million)

Name	Designation	Number of options granted
Mr. Damodaran Seshadri	Vice President & Regional Delivery Head ANZ	15,000
Mr. Kumar Sridhar	Vice President & Delivery Head SAGE	15,000
Mr. Parimal Pandit	Vice President & Delivery Head Enterprise	15,000
Mr. Paul Duvall	Chief Technology Officer	20,000
Mr. Samir Kapoor	Vice President	15,000
Mr. Shrinivas Sathya Susarla	Vice President	15,000
Mr. Udayabhanu Tangalamudi	Vice President	28,000
Mr. Vassilis Constantopoulos	Senior Vice President	30,000
Mr. Vivek Jasuja	Senior Vice President	30,000
Mr. William Santos	President Sales and Marketing	20,000

The above options were granted at an exercise of ₹941 per option under ESOP 2016 Plan.

6. ADDITIONAL DISCLOSURES

ANNEXURE TO THE BOARD'S REPORT

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	10.00	357.40
RSU 2015	10.00	452.14
ESOP 2016	561.63	96.62

Note: Stock Options issued under ESOP 1998 Version I and ESOP 2004 Plans were not exercised during the financial year ended 31 March 2019. Accordingly, the Weighted Average Exercise Price and the Weighted Average Fair Value has not been provided.

2) **Method and significant assumptions:**

The Company has adopted the Black Scholes option pricing model to determine the fair value of stock options with the following significant assumptions:

Sl. No.	Assumptions		
1	Risk free interest rate	5.78% to 7.96%	
2	Expected Option life	1 to 5 years	
3	Expected volatility	24.18% to 67.12%	
4	Expected dividend yield %	1.44% to 3.93%	
5	Market price on date of grant (weighted average value of shares) (₹)	ESOP 1998 Version I	-
		ESOP 1998 Version II	-
		ESOP 2004	-
		RSU 2014	399.15
		RSU 2015	479.75
		ESOP 2016	543.31
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: 1. Stock Options issued under ESOP 1998 Version I were not exercised during the financial year ended 31 March 2019.

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 the 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. Venkatesh Radhakrishnan	Nil	Nil	Nil	Nil
Mphasis Employees Benefit Trust	Ms. Saraswathy Srikanth Mr. Kannan Sriraman Mr. Venkatesh Radhakrishnan	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 2018	2,520	Nil
Number of shares acquired during the year through		
a. Primary Issuance	203,910	74,802
b. Secondary acquisition	Nil	Nil
- % age of paid up share capital as at 31 March 2018	NA	NA
- Weighted Average cost of acquisition (₹)	NA	NA
Number of shares transferred to the employees against exercise of Stock Options/Restricted Stock Units	203,910	74,802
Number of shares sold along with the purpose thereof	Nil	Nil
Number of shares held at 31 March 2019	**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

Paris, France
27 May 2019

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 -
   (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 2019. Please refer to Note 31 of the consolidated financial statements and Note 30 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.

For and on behalf of the Board of Directors

Paris, France
27 May 2019

Davinder Singh Brar
Chairman

ANNEXURE TO THE BOARD'S REPORT

FORM No. MGT-9

EXTRACT OF ANNUAL RETURN

as at 31 March 2019

[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	Name, Address and contact details of Registrar and Transfer Agent, if any	Bagmane World Technology Centre, Marathalli Outer Ring Road, Doddanakundi 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, 4th 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	52.26	2(46)
2	Mphasis Software & Services (India) Private Ltd.	Bagmane World Technology Centre, Marathahalli Outer Ring Road, Doddanakundi Village, Mahadevapura, Bengaluru – 560 048	U72200KA1998PTC038932	Subsidiary	100	2(87)(ii)
3	Msource (India) Private Limited	Bagmane World Technology Centre, Marathahalli Outer Ring Road, Doddanakundi 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	88 Woodstreet, London EC2V 7 RS United Kingdom	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	88 Woodstreet, London EC2V 7 RS, United Kingdom	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 BVBA	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.	8th Floor, Sun Life Centre, 5th Avenue cor. Rizal Drive, Bonitacio 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.

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)	Promoters									
(1)	Indian									
	a) Individuals/Hindu Undivided Family	-	-	-	-	-	-	-	-	-
	b) Central Government	-	-	-	-	-	-	-	-	-
	c) State Government(s)	-	-	-	-	-	-	-	-	-
	d) Bodies Corporate	-	-	-	-	-	-	-	-	-
	e) Banks/ Financial Institutions	-	-	-	-	-	-	-	-	-
	f) Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1):-	-	-	-	-	-	-	-	-	-
(2)	Foreign									
	a) NRIs-Individuals	-	-	-		-	-	-	-	-
	b) Other- Individuals	-	-	-		-	-	-	-	-
	c) Bodies Corporate	116,691,668		116,691,668	60.38	97,317,781	-	97,317,781	52.26	(8.12)
	d) Banks/ Financial Institutions	-	-	-		-	-	-	-	-
	e) Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2):-	116,691,668	-	116,691,668	60.38	97,317,781	-	97,317,781	52.26	(8.12)
	Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**116,691,668**	**-**	**116,691,668**	**60.38**	**97,317,781**	**-**	**97,317,781**	**52.26**	**(8.12)**
(B)	Public shareholding									
(1)	Institutions									
	a) Mutual Funds	12,906,201		12,906,201	6.68	14,103,580	-	14,103,580	7.57	0.89
	b) Banks/Financial Institutions	1,740,386	-	1,740,386	0.90	732,339	-	732,339	0.39	(0.51)
	c) Central Government	-	-	-	-	-	-	-	-	-
	d) State Government(s)	-	-	-	-	-	-	-	-	-
	e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
	f) Alternative Investment Funds	-	-	-	-	88,677	-	88,677	0.05	0.05
	g) Insurance Companies	-	-	-	-	-	-	-	-	-
	h) FIIs	192,870	100	192,870	0.10	738,121	100	738,221	0.40	0.30
	i) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	j) Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1) :-	14,839,457	100	14,839,557	7.68	15,662,717	100	15,662,817	8.41	0.73
(2)	Non-Institutions									
	a) Bodies Corporate (i) Indian (ii) Overseas	10,900,250	1,000	10,901,250	5.64	9,351,279	1000	9,352,279	5.02	(0.62)

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	3,785,862	106,442	3,892,304	2.01	6,251,490	89,558	6,341,048	3.41	1.40
	ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh.	2,697,665	-	2,697,665	1.40	2,536,089	-	2,536,089	1.36	(0.04)
	c) Any other (specify)									
	- Directors	-	-	-	-	-	-	-	-	-
	- Mphasis Limited Unclaimed Suspense Account	4,500	-	4,500	0.00	4,500		4,500	0.00	0.00
	- Trusts	9,657	-	9,657	0.00	4,950		4,950	0.00	0.00
	- Clearing Member	327,751	-	327,751	0.17	313,898	-	313,898	0.17	0.00
	- Foreign Portfolio Investors	43,858,574	-	43,858,574	22.69	54,640,957	-	54,640,957	29.34	6.65
	- IEPF	37,206	-	37,206	0.02	40,306	-	40,306	0.02	0.00
	- NBFC Registered with RBI	50	-	50	0.00	4,414	-	4,414	0.00	0.00
	Sub-Total (B)(2):-	61,621,515	107,542	61,728,957	31.94	73,147,883	90,558	73,238,441	39.33	7.39
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**76,460,972**	**107,542**	**76,568,514**	**39.62**	**88,810,600**	**90,658**	**88,901,258**	**47.74**	**8.12**
(C)	Shares held by Custodians for GDRs and ADRs	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	193,152,640	107,542	193,260,182	100	186,128,381	90,658	186,219,039	100	0.00

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.	116,691,668	60.38	-	97,317,781	52.26	-	(8.12)
Total	**116,691,668**	**60.38**	**-**	**97,317,781**	**52.26**	**-**	**(8.12)**

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 2019 over 31 March 2018.
3. % of Shares pledged refers to percentage of shares pledged/encumbered to total shares.
4. % within brackets denotes reduction and without brackets denotes increase.
5. Shareholding at the beginning of the year signifies shareholding as at 1 April 2018 on the basis of the SHP as of 31 March 2018 and shareholding at the end of the year signifies shareholding as on 31 March 2019 on the basis of the SHP as of 31 March 2019.

iii) Change in the Promoter's Shareholding

Name of Shareholders	Changes during the year		Cumulative Shareholding	
	Shares	%	Shares	%
Marble II Pte Ltd.				
Shareholding at the beginning of the year	Nil	Nil	116,691,668	60.38
Sale of Shares through Open Market on 14 May 2018	(15,460,815)	(7.98)	101,230,853	52.34
Shares tendered and accepted under the Buy Back offer on 28 December 2018	(3,913,072)	(0.05)	97,317,781	52.29
Shareholding at the end of the year Refer Note 3			97,317,781	52.26

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 2018 and shareholding at the end of the year, i.e. 31 March 2019, 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	ISHANA CAPITAL MASTER FUND	THE NOMURA TRUST AND BANKING CO. LTD. AS THE TRUST	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LIMITED	L AND T MUTUAL FUND TRUSTEE LIMITED	FIRST STATE ASIAN EQUITY PLUS FUND	NOMURA FUNDS IRELAND PUBLIC LIMITED	THE INDIA FUND INC
Shareholding as at 01.04.2018	6,516,109	347,824	-	2,033,129	3,529,963	3,848,035	1,195,900	-	-	1,831,372
% of Total Shares	3.37	0.18	-	1.05	1.83	1.99	0.62	-	-	0.95
06.04.2018	-	141,528	-	50000	-	25,000	-	-	-	-
13.04.2018	(245,000)	90,535	-	(6,676)	(60,201)	(80,000)	-	-	-	-
20.04.2018	(121,342)	195,052	-	-	(4,510)	-	-	-	-	-
27.04.2018	(243,658)	127,019	-	(18,052)	(27,710)	-	-	-	-	-
04.05.2018	(555,000)	87,285	-	-	(3,324)	(166,029)	-	-	-	-
11.05.2018	-	284,966	-	(30,778)	(197)	(113,000)	-	-	-	-
18.05.2018	-	366,368	1,520,000	80,080	439,312	(30,000)	525,000	2,439,647	1,120,000	-
25.05.2018	(160,000)	-	-	12,361	(1,346)	(20,000)	-	-	-	-
01.06.2018	-	-	-	41,729	-	-	146,100	-	-	(55,873)
08.06.2018	(238,939)	-	50,000	-	-	(40,000)	-	-	-	(34,127)
15.06.2018	-	-	(50,000)	61,361	-	-	10,000	-	-	-
22.06.2018	-	-	-	(1,266)	-	(45,000)	-	(112,077)	106,769	-

NAME OF THE SHAREHOLDERS	ABERDEEN GLOBAL INDIAN EQUITY LIMITED	ISHANA CAPITAL MASTER FUND	THE NOMURA TRUST AND BANKING CO. LTD. AS THE TRUST	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LIMITED	L AND T MUTUAL FUND TRUSTEE LIMITED	FIRST STATE ASIAN EQUITY PLUS FUND	NOMURA FUNDS IRELAND PUBLIC LIMITED	THE INDIA FUND INC
30.06.2018	-	-	-	48,781	(759)	10,000	-	-	-	-
06.07.2018	-	42,281	-	(15,000)	18,165	-	-	(149,398)	-	-
13.07.2018	(185,000)	53,126	-	(70,156)	29,764	(73,000)	-	(67,163)	-	-
20.07.2018	-	-	-	(53,673)	(52,064)	(7,000)	-	-	-	-
27.07.2018	(99,633)	-	-	(2,307)	(55,237)	(29,400)	-	-	25,000	-
03.08.2018	(120,367)	-	-	36,050	(9,679)	(135,000)	-	-	379,412	-
10.08.2018	-	-	-	38,950	(350,898)	-	-	-	-	-
17.08.2018	-	-	-	-	(18,256)	-	-	-	-	-
24.08.2018	-	-	-	(106,148)	9,910	-	-	-	-	-
31.08.2018	-	-	-	(210)	(155,564)	-	-	-	-	-
07.09.2018	(197,752)	-	-	-	(238,692)	(21,940)	-	-	-	(72,358)
14.09.2018	(174,884)	-	-	-	(8,329)	-	-	-	-	(55,738)
21.09.2018	(109,878)	-	-	-	8,146	-	-	-	-	(35,020)
29.09.2018	-	-	25,000	224	13,362	50,000	87,300	(220,458)	-	(484)
05.10.2018	-	-	-	50,192	(29,666)	10,000	25,000	-	-	-
12.10.2018	(68,796)	212,939	-	50,074	(23,649)	-	-	-	-	(21,547)
19.10.2018	(18,690)	52,414	-	125,060	11,228	-	81,981	-	-	(5,853)
26.10.2018	-	122,173	100,000	26,823	(139,104)	(85,000)	101,619	-	-	-
02.11.2018	-	222,819	1,200,000	148,529	20,235	(166,000)	50,000	-	-	-
09.11.2018	-	130,167	-	25,021	828	(135,000)	-	-	50,000	-
16.11.2018	-	322,789	50,000	29,452	-	(50,300)	-	-	-	-
23.11.2018	-	45,430	-	38	-	(12,100)	-	-	-	-
03.12.2018	91,072	202,640	60,526	50,148	(39,748)	-	-	-	-	-
07.12.2018	17176	112,936	-	-	(92,417)	(75,000)	-	-	-	-
14.12.2018	-	29,771	-	25,094	(75,797)	(325,506)	54,304	-	-	-
21.12.2018	-	-	-	57	15,676	20,000	-	-	100,000	-
31.12.2018	(149829)	(79,259)	(59,735)	(13,156)	(83,437)	(154,845)	80,454	(63,629)	(62,337)	(58,218)
04.01.2019	-	-	300,000	88,232	22,135	20,000	-	0	-	(10,486)
11.01.2019	-	32,000	-	53,200	89,053	4,000	-	0	-	(920)
18.01.2019	-	165,198	-	27,103	-	25,000	-	0	-	-
25.01.2019	-	65,964	-	19,819	47,695	25,000	-	59,245	-	-
01.02.2019	-	14,765	-	-	(14,447)	(150,000)	(62,309)	85,013	-	-

NAME OF THE SHAREHOLDERS	ABERDEEN GLOBAL INDIAN EQUITY LIMITED	ISHANA CAPITAL MASTER FUND	THE NOMURA TRUST AND BANKING CO. LTD. AS THE TRUST	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LIMITED	L AND T MUTUAL FUND TRUSTEE LIMITED	FIRST STATE ASIAN EQUITY PLUS FUND	NOMURA FUNDS IRELAND PUBLIC LIMITED	THE INDIA FUND INC
08.02.2019	-	56,946	-	113	(32)	9,826	(50,000)	-	-	-
15.02.2019	-	65,294	(125,000)	27	-	27,000	-	-	-	-
22.02.2019	-	-	-	-	(69,691)	(50,000)	-	-	-	-
01.03.2019	-	-	26,918	38	147	10,000	-	-	-	-
08.03.2019	-	-	-	-	-	1,500	-	-	-	-
15.03.2019	-	-	-	60	(74,085)	20,000	-	-	50,000	-
22.03.2019	-	40,447	75,000	50,000	13,048	70,000	-	-	25,000	-
30.03.2019	-	13,303	-	32,296	-	-	-	-	100,000	-
Shareholding as at 31.03.2019	3,935,589	3,564,720	3,172,709	2,666,335	2,639,828	2,201,241	2,084,441	1,971,180	1,893,844	1,480,748
% to Total Shares	2.11	1.91	1.70	1.43	1.42	1.18	1.12	1.06	1.02	0.80
% Change during the year	(1.26)	1.73	1.70	0.38	(0.41)	(0.81)	0.50	1.06	1.02	(0.15)

Notes :

1. The figures within the bracket denotes decrease in the shareholding and figures without brackets denotes increase in the shareholding on account of market transactions.
2. % change during the year refers to the change during the year ended 31 March 2018 over 31 March 2019.
3. Top 10 shareholders as at 31 March 2019 has been considered for the above disclosure.

v) **Shareholding of Directors and Key Managerial Personnel as at 31 March 2019**

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)	20,416	0.01		17,988	0.01
3	Subramanian Narayan (CS)	2,660	-		2,572	-

Notes :

1. *Shareholding at the beginning of the year signifies shareholding as at 1 April 2018 i.e. on the basis of the SHP as of 31 March 2018. and shareholding at the end of the year signifies shareholding as on 31 March 2019 i.e. on the basis of the SHP of 31 March 2019.*
2. *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	(750)	28 August 2018	Decrease: Sale of shares in the market and shares tendered in the buyback offer of the company
	(500)	12 December 2018	
	(250)	20 December 2018	
	(250)	21 December 2018	
	(678)	28 December 2018	
Subramanian Narayan	(88)	28 December 2018	Decrease : Shares tendered in the buyback offer of the Company

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	-	1299.60	-	1299.60
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	**1299.60**	-	**1299.60**
Change in the indebtedness during the financial year	-	**-**	**-**	**-**
Addition	-	2454.63	-	2454.63
Reduction	-	1371.13	-	1371.13
Net Change	-	**1083.50**	-	**1083.50**
Indebtedness at the end of the financial year	-	**-**	**-**	-
i. Principal Amount	-	2383.10	-	2383.10
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	7.22	-	7.22
Total (i+ii+iii)	**-**	**2390.32**	**-**	**2390.32**

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 2019

(₹ million)

Sl. No.	Particulars of Remuneration	Mr. Nitin Rakesh (CEO)	Mr. V. Suryanarayanan (CFO)	Mr. Subramanian Narayan (CS)	Total Amount
1 (a)	**Gross salary** Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	50.83	20.02	5.69	76.54
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.04	0.77	0.03	0.84
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Options	28.19	2.30	0.72	31.21
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of Profit	-	-	-	-
	- Others, specify	-	-	-	-
5	Others -				
	- PF and other funds	-	0.47	0.16	0.63
	- Remuneration paid from subsidiary [refer note]	41.74	-	-	41.74
	Total (A)	120.80	23.56	6.60	150.96
	Ceiling as per the Companies Act, 2013	489.15	Not Applicable	Not Applicable	

Note : Represents remuneration from Mphasis Corporation for the period from 16 October 2018 to 31 March 2019.

B. **Remuneration to other directors**

(₹ million)

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. Dario Zamarian	Mr. Marshall Lux	Mr. Amit Dixit	Mr. Amit Dalmia		
1	Fee for attending Board Committee Meetings	-	-	-	-	-	-	-	-	-	-	-	-
2	Commission	6.04	5.14	5.49	**16.67**	4.83	4.83	1.54	3.16	-	-	14.36	**31.03**
3	Others, please specify	-	-	-	-	-	-	-	-	-	-	-	-
	Total (B)	6.04	5.14	5.49	**16.67**	4.83	4.83	1.54	3.16	-	-	14.36	**31.03**
	Total Managerial Remuneration												**181.99**
	Overall Ceiling as per the Companies Act, 2013												**1076.13**

7. **Penalties/Punishment/Compounding of Offence**

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

Paris, France
27 May 2019

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 business standards. Ethics, transparency, 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 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 2019.

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 2019, the Board comprises 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.

Mr. Davinder Singh Brar was appointed as an Independent Director of the Company effective 1 October 2014 by the shareholders at the 24th Annual General Meeting held on 9 September 2015. Accordingly, Mr. Davinder Singh Brar holds the office of Independent Director till 30 September 2019. It is proposed to re-appoint Mr. Davinder Singh Brar as an Independent Director for another term of five years, at the ensuing Annual General Meeting, effective 1 October 2019.

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. 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 compliances 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, compliances 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.

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 Board takes updates, at the meetings, from the Chairmen/Chairperson of the respective Committees regarding the Committee meetings held since the date of the last Board Meeting and notes the 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. monitoring and reviewing the Board Evaluation framework.

ii. Orientation for Directors:

The Company believes that it is pertinent for the Board members to know what is expected from them and equip them with necessary skills and knowledge which enables the Board to make informed decisions. Thoughtful and thorough orientation is key to 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 compliances. The directors step back and assist the 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 the director to orient himself/herself with the Industry, Company's operations, governance, strategy and perspective of stakeholders.

The adequacy perception of the orientation is ingrained into the Board evaluation parameters, which helps the Company to build the orientation process further. The orientation process is also 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 letters are also hosted on the website of the Company at www.mphasis.com under the Investors section.

During the year ended 31 March 2019, the Independent Directors of the Board were updated on topics in relation to business models, industry trends, leadership development and compliance for over 9 hours.

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

During the financial year 2019, five meetings of the Board were held on 10 May 2018, 7 August 2018, 17 & 18 October 2018, 24 January 2019 and 14 March 2019. 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  - Absent

Name and Category	Attendance During 2018-19			Other Directorship, Committee Membership / Chairmanship			
	Board Meetings		Attendance at the Last AGM	Other Directorships (Director in Public Limited Companies)[1]	Independent Directorships in other Listed Companies	Committee Memberships[2]	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	Nil
Independent Directors							
Mr. Davinder Singh Brar Chairman	5	5		12(2)	2	4	2
Ms. Jan Kathleen Hier	5	5		Nil	Nil	1	Nil
Mr. Narayanan Kumar	5	5		11(7)	6	3	4
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(2)	Nil	2	Nil
Mr. Amit Dalmia	5	5		1(1)	Nil	2	Nil
Mr. Marshall Lux[4]	4	4	NA	Nil	Nil	Nil	Nil
Mr. Dario Zamarian[5]	1	Nil	NA	NA	NA	NA	NA

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 2019.*
4. *Mr. Marshall Lux was appointed as a director with effect from 7 August 2018.*
5. *Mr. Dario Zamarian resigned from the position of Director with effect from closing hours of 6 August 2018.*

(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 2019.

- 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
Mphasis Limited	Independent Director	Whole time Director	Independent Director	Independent Director	Non-Independent Director
Wockhardt Limited	Independent Director				
Maruti Suzuki India Limited	Independent Director				
MRF Limited				Independent Director	
Take Solutions Limited				Independent Director	
Bharati Infratel Limited				Independent Director	
L&T Technology Services Limited				Independent Director	
Entertainment Network (India) Limited				Independent Director	
Larsen and Toubro Limited				Independent Director	

Name of the Companies	Mr. Paul James Upchurch Non-Executive Director	Mr. Marshall Lux Non-Executive Director\	Mr. Amit Dixit Non-Executive Director	Mr. Amit Dalmia Non-Executive Director
Mphasis Limited	Non-Independent Director	Non-Independent Director	Non-Independent Director	Non-Independent Director
SH Kelkar and Company Limited				Non-Independent Director
Jagran Prakashan Limited			Non-Independent Director	

(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 the management to discuss the Company’s operations and performance. During the year, the Independent Directors meeting have *inter-alia:*

1. Reviewed the performance of the Non-Independent Directors and Board as a whole;
2. Reviewed the performance of the Chairperson of the Board by the other Independent Directors 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 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.

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 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 2019, four meetings of the Audit Committee were held on 10 May 2018, 7 August 2018, 18 October 2018 and 24 January 2019.

The composition of the Committee and the attendance of the members at each of the meetings held during the year ended 31 March 2019 are given below:

Member	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Narayanan Kumar, Chairman	4	4
Mr. Davinder Singh Brar	4	4
Ms. Jan Kathleen Hier	4	4
Mr. Amit Dixit	4	4

(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.

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 2019, the Share Transfer Committee passed resolutions dated 10 April 2018, 11 April 2018, 23 May 2018, 20 August 2018, 22 August 2018, 4 September 2018, 1 October 2018, 16 October 2018, 27 November 2018, 19 December 2018, 27 December 2018, 15 February 2019, 5 March 2019, 19 March 2019 and 25 March 2019 for approving transfer of shares, transmission of shares, issue of duplicate share certificates, release of Bonus Shares held in abeyance, issue of split of share certificate, rectification of name, rematerialisation of shares and consolidation of share certificates.

The Company ensures that the transfer of shares is effected within the statutory time of their due lodgment. The Company has appointed Integrated Registry Management Services Private Limited, a SEBI registered Share Registrar and Transfer Agent, as its Share Transfer Agent.

(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 2019, two meetings of the Nomination and Remuneration Committee were held on 10 May 2018 and 24 January 2019, besides a circular resolution passed on 7 August 2018.

The composition of the Committee and the attendance at each of the meetings held during the year ended 31 March 2019 are given below:

Member	No. of Meetings held during the tenure	No. of Meetings attended
Ms. Jan Kathleen Hier, Chairperson	2	2
Mr. Davinder Singh Brar	2	2
Mr. Amit Dixit	2	2
Mr. David Lawrence Johnson	2	2

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.

During the year, the Board of Directors approved uniform payment of fixed remuneration to all the Non-Executive Directors (including Indian and foreign directors) at ₹ 44 Lakhs p.a. with effect from 1 April 2018. Accordingly, Directors Remuneration Policy was amended to provide uniform remuneration to all the Non-Executive Directors.

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. Variable pay is computed on the basis of specific targets set for the executive director every year which is linked to the Company’s performance. Variable pay is payable to the Executive Director on the achievement of the said targets and is paid as per the agreement entered with such Executive Director. The equity-based compensation will be in accordance with the stock options/stock units plan of the Company, which aligns with the long-term interests of the Company and stakeholders.

During the year, considering the business requirements of Mphasis Corporation, Mr. Nitin Rakesh, CEO and Executive Director, was seconded to Mphasis Corporation, a wholly owned subsidiary of the Company, for a period of one year effective 16 October 2018. The term of the secondment shall automatically renew for another period of one year from the date of expiry of the previous term, unless the secondment is terminated. The remuneration of Mr. Nitin Rakesh, CEO and Executive Director, disclosed in this report 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 for the executives is hosted on the website of the Company at www.mphasis.com in the Investors section.

iii. Details of Remuneration to the Directors for the year 2018-2019:

(₹ million)

Name of Director	Salary	Bonus	Benefits / Perquisite	Commission	Others[3]	Total
Mr. Nitin Rakesh	50.87	-	28.19	-	41.74	120.80
Mr. Davinder Singh Brar	-	-	-	6.04	-	6.04
Mr. Narayanan Kumar	-	-	-	5.49	-	5.49
Ms. Jan Kathleen Hier	-	-	-	5.14	-	5.14
Mr. David Lawrence Johnson	-	-	-	4.83	-	4.83
Mr. Dario Zamarian Refer Note 1	-	-	-	1.54	-	1.54
Mr. Paul James Upchurch	-	-	-	4.83	-	4.83
Mr. Marshall Lux Refer Note 1	-	-	-	3.16	-	3.16
Mr. Amit Dixit	-	-	-	-	-	-
Mr. Amit Dalmia	-	-	-	-	-	-
Total	**50.87**	**-**	**28.19**	**31.03**	**41.74**	**151.83**

Notes:

(1) *The remuneration paid to Mr. Dario Zamarian is until 6 August 2018 and Mr. Marshall Lux is effective 7 August 2018.*

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

(3) *Represents remuneration paid from Mphasis Corporation, wholly owned Subsidiary of the Company, for the period 16 October 2018 to 31 March 2019.*

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.

Mr. Nitin Rakesh, CEO and Executive Director, holds 909,000 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 2019.

Mr. Marshall Lux holds 50,000 stock-based incentive units of Mphasis Corporation, a wholly owned subsidiary of the Company, which were granted on 11 October 2016. The stock units vest over 5 equal tranches and can be exercised any time up to 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 difference between ₹544.50 (being the market price of Mphasis Limited shares on the date of signing of contract) and share price of Mphasis Limited as on the date of exercise of 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 2019:

Remuneration to Directors

Name of the Directors	Remuneration (₹ Million)		Ratio of Remuneration
	2018-19	MR (in times)	NP (in %)
Mr. Davinder Singh Brar	6.04	9	0.05
Mr. Narayanan Kumar	5.49	8	0.05
Ms. Jan Kathleen Hier	5.14	8	0.04
Mr. David Lawrence Johnson	4.83	7	0.04
Mr. Dario Zamarian Refer Note 4	1.54	7	0.04
Mr. Paul James Upchurch	4.83	7	0.04
Mr. Marshall Lux refer note 4	3.16	7	0.03

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.*
4. *The ratio of remuneration is calculated based on annualized remuneration.*

Remuneration to Key Managerial Personnel (KMPs) as at 31 March 2019:

Name of the KMPs	Remuneration (₹ Million)		Ratio of Remuneration	
	2018-19 (₹ Million)	% Increase	MR (in times)	NP (in %)
Mr. Nitin Rakesh, Chief Executive Officer Refer Note 4	120.80	5	184	1.01
Mr. V Suryanarayanan, Chief Financial Officer	23.56	5	36	0.20
Mr. Subramanian Narayan, Company Secretary	6.59	Nil	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 includes remuneration of ₹ 41.74 million from Mphasis Corporation, subsidiary of the Company, for the period from 16 October 2018 to 31 March 2019.*

During the year, in line with the Industry standards and to remain competitive in the marketplace, the Company has awarded 5.23% average increase in the remuneration to the employees. Mr. Nitin Rakesh, Chief Executive Officer and Executive Director and Mr. V Suryanarayanan, EVP and Chief Financial Officer were awarded 5% increment in the remuneration. The Median Remuneration of the employees increased by 9.83% 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 2019, there were 18,612 permanent employees of the Company.

v. Details of shares held by the directors

As on 31 March 2019, 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 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.

(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 2019, a telecon meeting of the CSR Committee was held on 30 April 2018 to take note of update on CSR programs and amount spent for FY 2018 and CSR spend for FY 2019 and a meeting of the Committee was held on 18 October 2018.

The composition of the Committee and the attendance of the members at each of the meetings held during the year ended 31 March 2019 are given below:

Member	No. of Meetings held during the tenure (including telecon meetings)	No. of Meetings attended (including telecon meetings)
Mr. Narayanan Kumar, Chairman	2	2
Mr. Davinder Singh Brar	2	1
Mr. Nitin Rakesh	2	2
Mr. Amit Dalmia	2	2

(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 2019, the ESOP Compensation Committee has, on a periodic basis, approved exercise of 278,712 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 223,000 stock options under Employees Stock Option Plan 2016.

CORPORATE GOVERNANCE

(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.

Responsibilities of the Committee are as follows:

a. 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.;

b. review measures taken for effective exercise of voting rights by the Shareholders;

c. review the adherence to the service standards adopted by the Company in respect of services rendered by the Registrars and Share Transfer Agent; and

d. review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and measures taken for ensuring timely receipt of dividend warrants, annual reports, statutory notices by the shareholders of the Company.

The details of the correspondence with the shareholders including the details of the Investor Grievances, if any, are placed before the committee members on a monthly basis.

The status of Investor Complaints during the year ended 31 March 2019, is as under:

Complaints as on 1 April 2018	:	Nil
Complaints received during the year	:	36
Complaints resolved during the year	:	36
Complaints pending as on 31 March 2019	:	Nil

All the grievances have been resolved.

The Complaints pertains to non-receipt of dividend, non-receipt of Annual Reports and non-receipt of tender forms under the buyback implemented during the year.

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,
Doddanakundi 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. During the year ended 31 March 2019, a telecon meeting of the Committee was held on 8 October 2018 and a meeting of the Committee was held on 24 January 2019.

The composition of the Committee and the attendance of the members at the meetings held during the year ended 31 March 2019 is given below:

Member	No. of Meetings held during the tenure (including telecon meeting)	No. of Meetings attended (including telecon meeting)
Mr. Davinder Singh Brar, Chairman		
Mr. Nitin Rakesh		
Mr. Amit Dalmia		

(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
Ms. Jan Kathleen Hier	-	Member
Mr. Nitin Rakesh	-	Member
Mr. David Lawrence Johnson	-	Member
Mr. Amit Dixit	-	Member
Mr. Paul James Upchurch	-	Member
Mr. Marshall Lux	-	Member (appointed as a member effective 7 August 2018)

(i) Buyback Committee

The Board of Directors of the Company, at its meeting held on 7 August 2018, had constituted a Buyback Committee to administer the operational activities involved in the buyback of shares. During the year ended 31 March 2019, the Buyback Committee passed resolutions dated 1 October 2018, 5 October 2018, 27 November 2018 and 27 December 2018 in connection with the matters relating to the Buyback of shares of the Company. Further to the completion of the buyback, the Buyback Committee was wound up by the Board at its meeting held on 24 January 2019. The Committee comprised of Mr. Narayanan Kumar, Mr. Nitin Rakesh, Mr. Amit Dixit and Mr. Amit Dalmia as its members.

(j) Risk Governance and Management Committee

The Board of Directors of the Company, at its meeting held on 24 January 2019, had constituted a Risk Governance and Management Committee (RGMC) with effect from 1 April 2019. The Committee comprises of following as its members:

Mr. Amit Dalmia	-	Director (Chairman of the Committee)
Mr. Narayanan Kumar	-	Director
Mr. David Lawrence Johnson	-	Director
Mr. Marshall Lux	-	Director
Mr. Nitin Rakesh	-	CEO and Executive Director
Mr. Suryanarayanan V	-	EVP and Chief Financial Officer
Mr. Eric Winston	-	EVP, General Counsel, Chief Ethics and Compliance Officer

The primary function of the RGMC, as per its Charter, is to assist the Board in the discharge of its oversight in the areas specified hereinafter, *inter-alia*, relating to:

- review and approve annually, an Enterprise Risk Management 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;
- review and recommend changes to the approved Enterprise Risk Management 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 Enterprise Risk Management program assists in achieving the business goals of the Company;
- evaluate the significant risk exposures to the Company and review the management actions to mitigate such risks; and
- evaluate 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.

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 fifth Annual General Meeting	4 November 2016 10:00 AM	Vivanta by Taj, 41/3, Mahatma Gandhi Road, Bengaluru – 560 001.
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	The Chancery Pavilion Hotel, No. 135, K.S. Thimmaiah Road, (Residency Road), Bengaluru – 560025.

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

Date of AGM	Special Resolutions transacted
4 November 2016	• Approval for the payment of remuneration by way of commission not exceeding 1% of the net profits of the company to be paid to non-executive directors. • Approval for the formulation of Mphasis Employee Stock Option Plan 2016 (ESOP 2016). • Approval for extending the ESOP 2016 to the eligible employees of the subsidiary companies.
7 August 2018	• Approval for re-appointment of Mr. Narayanan Kumar as an Independent Director

(c) Special resolutions transacted through Postal Ballot last year

During the year, special resolution was passed through Postal Ballot for approval of Buy-back of equity shares of the Company on a proportionate basis through "Tender Offer" route under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 for an amount not exceeding ₹9,882.75 million (Rupees Nine Thousand Eight Hundred and Eighty-Two million and Seven Fifty Thousands).

Details of Special Resolution passed through Postal Ballot	Voting Pattern
Approval of Buy-back upto 7,320,555 equity shares of the Company representing 3.79% of the fully paid up equity shares from all the equity shareholders on a proportionate basis through "Tender Offer" method under the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 at a price not exceeding ₹ 1,350 per equity share aggregating to ₹ 9,882.75 million.	Resolution passed by 99.99% majority

Mr. S P Nagarajan, Practicing Company Secretary, was appointed as the scrutinizer for the above postal ballot for carrying out the postal ballot process in a fair and transparent manner.

None of the items to be transacted at the ensuing 28th Annual General Meeting are required to be passed by special resolution 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.

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 BSR & Co., LLP (including its network firms), the Statutory Auditors of the Company, during the year is as follows:

(Amount in ₹)

Total fees paid by the Company	1,47,58,977
Total fees paid by the subsidiaries of the Company	8,00,000

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.

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.

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.

CORPORATE GOVERNANCE

IX. GENERAL SHAREHOLDERS INFORMATION

(a) Details of the AGM

Date
Thursday, 25 July 2019
Time
10.30 AM
Venue
Taj MG Road, 41/3, Mahatma Gandhi Road, Bengaluru 560001

Procedure at the AGM

ATTENDANCE

Every member shall have the right to attend and speak at the Annual General Meeting. A member can vote at the Annual General Meeting provided he/she has not voted through e-voting. A person is considered to be a member of the Company if his/her name appears on the Register of Members or a beneficiary holder in the books of National Securities Depositories Limited or the Central Depository Services (India) Limited as at the cutoff date considered for voting, i.e. Thursday, 18 July 2019.

If you intend coming to the meeting:

If you intend coming to the meeting in person, please do complete and bring the Attendance Slip and the copy of your Annual Report. Copies of the Annual Report will not be distributed at the meeting. Kindly note that every joint shareholder can attend and speak at the meeting.

If you do not intend coming in person but would like to appoint someone to act on your behalf:

If you do not wish to attend or are unable to attend the meeting, your vote is still important. We would urge you, regardless of the number of shares you own, to appoint someone to act on your behalf and to vote at the Annual General Meeting. The person so appointed by you is known as a proxy. In case you have voted on the resolutions through e-voting, the proxy can only attend the Annual General Meeting. In case you wish to appoint a proxy, we call upon you to complete, sign and return the accompanying proxy form. However, it may be noted that appointment of a proxy will not preclude you from attending the meeting in person. In case you attend the meeting after appointing a proxy, then the proxy shall be deemed to have been revoked.

The accompanying proxy appointment form enables you to appoint the person of your choice to act as a proxy on your behalf. However, such person should be capable of entering into contract.

Before completing the form please read the following explanatory notes-

- A single proxy cannot represent more than 50 persons and represent for more than 10% of the voting rights of the Company. We urge you to ensure compliance with this before the appointment of the proxy so that the proxy is valid and can be accepted.
- You may appoint more than one proxy. However, only one proxy may attend the meeting. Please date, sign and affix a revenue stamp of Re. 1/- on the proxy form. In case of joint holders any one of the holders can sign.
- Where the person appointing the proxy is a corporation, the form must be either under its seal or under the hand of a duly authorized officer or attorney and the appropriate power of attorney or other authority must be lodged along with the proxy form.
- For the proxy to be valid, the proxy form together with any authority must be received at the Registered Office of the Company not later than 10:30 am on Tuesday, 23 July 2019.

Attendance Slips

The members and proxies are requested to bring their Attendance Slips sent herewith duly completed in all respects. The persons representing the Body Corporate should additionally produce necessary authority executed by the Body Corporate, under its seal, in their favour along with the attendance slip.

VOTING

The Company has made available two modes of voting, viz, e-voting and physical voting at the Annual General Meeting, to ensure wider participation of members. Members are requested to use any one of the above modes to cast their vote. Please read the following instructions carefully in relation to voting:

Remote e-voting:

Pursuant to the Companies Act, 2013, the Company is pleased to provide the members, the facility to exercise their right to vote at the 28th Annual General Meeting (AGM) by electronic means and the businesses of the meeting shall be transacted through remote e-voting services provided by National Securities Depository Limited (NSDL). The Company has approached NSDL for providing remote e-voting services.

The shareholders may cast their vote electronically during the period when the remote e-voting is open. The remote e-voting module shall be disabled for voting thereafter. The shareholder shall not be allowed to change his/her e-vote once a vote on a resolution is cast by the shareholder in the e-voting module. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on Thursday, 18 July 2019.

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

   a) **In case a Member receives an e-mail from NSDL [for members whose e-mail IDs are registered with the Company/ Depository Participants(s)] :**

      (i) Open the e-mail and open PDF file viz; “remote e-voting.pdf” with your Client ID or Folio No. as the password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
      (ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/
      (iii) Click on Shareholder - Login
      (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
      (v) Password Change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
      (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
      (vii) Select “EVEN” of “Mphasis Limited”.
      (viii) Now, you are ready for remote e-voting as Cast Vote page opens.
      (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
      (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
      (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
      (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with an attested specimen signature of the duly authorized signatory(ies) who is/are authorized to vote, to the Scrutinizer, Mr. S P Nagarajan through e-mail to cs@nagarajansp818.com with a copy marked to evoting@nsdl.co.in

   b) **In case a member receives a physical copy of the Notice of the AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:**

      (i) Initial password is provided as below in the Attendance Slips:

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN

      (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

2. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on the toll free no.: 1800-222-990.
3. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN to cast your vote.
4. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
5. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of Thursday, 18 July 2019.

6. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Thursday, July 18, 2019, such member may obtain the login ID and password by sending a request at evoting@nsdl.co.in or giri@integratedindia.in(RTA).

   However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free No.: 1800-222-990.
7. A person, 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 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through the physical ballot. A person who is not a member as on the cut-off date should treat the above for information purposes only.

Voting at the Annual General Meeting through physical ballot:

The facility for voting through a physical ballot shall be made available at the Annual General Meeting and the members attending the meeting, who have not cast their vote by remote e-voting, shall only, be able to exercise their right to vote at the meeting through a physical ballot.

PROCEEDINGS AT THE MEETING

The Chairman shall after discussion on all the items of business placed before the members order a physical ballot to be taken for the shareholders who have not voted through e-voting. The eligible shareholders may cast their votes thereafter. The scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, 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 make 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 in writing not later than forty eight hours of conclusion of the meeting. The Chairman shall declare the results forthwith upon receipt of the report of scrutinizer report.

SCHEDULE OF EVENTS FOR THE VOTING AND DECLARATION OF VOTING RESULTS

Events	Planned dates
Despatch of Annual Report	Monday, 1 July 2019 (Latest date)
Advertisement regarding despatch of notices and public notice regarding e-voting in English and Kannada	Monday, 1 July 2019
Cut-off date for remote e-voting	Thursday, 18 July 2019
Commencement of remote e-voting	Saturday, 20 July 2019
Closing of the e-voting	Wednesday, 24 July 2019
Physical voting at AGM	Thursday, 25 July 2019
Declaration of results of voting	Friday, 26 July 2019

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 the Company are listed. The results shall also be displayed on the notice board of the Company at the registered office and the corporate office.

(b) Financial Calendar

Financial Year	1 April 2018 to 31 March 2019
Results Announced	27 May 2019
Book Closure Dates	13 July 2019 to 25 July 2019 (both days inclusive)
Posting of Annual Reports	By 1 July 2019 (latest Date)
Annual General Meeting	25 July 2019
Dividend Payment Date	On or before 24 August 2019

(c) Listing

Equity shares of the Company are listed and traded on the following Stock Exchanges:

Exchange	Address	Scrip Code
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. Telephone: 022-22721233/34 Fax No.: 022-22721062	526299
The National Stock Exchange of India Limited	Kurla Complex, Bandra (E) Mumbai - 400 051. Telephone: 022-26598100-8114 Fax Nos. 022-26598237-38	MPHASIS
Metropolitan Stock Exchange of India Limited (MSEI)*	Vibgyor Towers, 4th floor, Plot No.C 62, G-Block, Opp. Trident Hotel, Bandra Kurla Complex, Bandra (E), Mumbai-400 098, India. Telephone: 022-6112 9000 Fax No.022-2654 4000	MPHASIS

* Traded as permitted security on the exchange

The Company has paid the listing fees for the year ending 31 March 2019.

(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, 4th & 5th Floors, Kamala Mills Compound, Senapathi Bapat Marg, Lower Parel, Mumbai - 400 013.
Central Depository Services (India) Limited	Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai - 400 001.

The Company has paid the custodial charges to the respective depository participants for the year ending 31 March 2019.

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 2019, 99.70% shareholders held 99.95% 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 abovementioned CIN.

(f) Permanent Account Number

The Securities Exchange Board of India (SEBI) vide its circulars has made the Permanent Account Number (PAN) as the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction and further directed that for securities market transactions and off market transactions involving transfer of shares of listed companies in physical form, it shall be mandatory for the transferee(s) to furnish a copy of the PAN card to the Company/Registrar and Share Transfer Agent, as the case may be for registration of transfer of shares. SEBI has also clarified that it shall be mandatory to furnish a copy of PAN in the following cases:–

a. Deletion of names of the deceased shareholder(s), where the shares are held in the name of two or more shareholders.

b. Transmission of shares to the legal heir(s), where deceased shareholder(s) was the sole holder(s) of shares.

c. Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders.

In case of mismatch in PAN card details as well as difference in maiden name and current name (in case of married women) of the investors, the PAN card as submitted by the transferee(s) can be provided by furnishing sufficient evidence in support of the identity of the transferee like passport, voter card ID, driving license, photo identity cards issued by statutory bodies/ banks/ public sector undertakings etc.

Securities Exchange Board of India has relaxed the requirement to furnish a copy of PAN for transfer of equity shares executed by non-residents vide its circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2019/30 dated 11 February 2019. The exemption is available for transfer of shares executed after January 01, 2016 for non-commercial transactions, i.e. transfer by way of gift to immediate relatives. The non-resident shareholders are required to provide a copy of an alternate valid document to ascertain identity as well as the non-resident status to avail this relaxation.

(g) Market Quotation

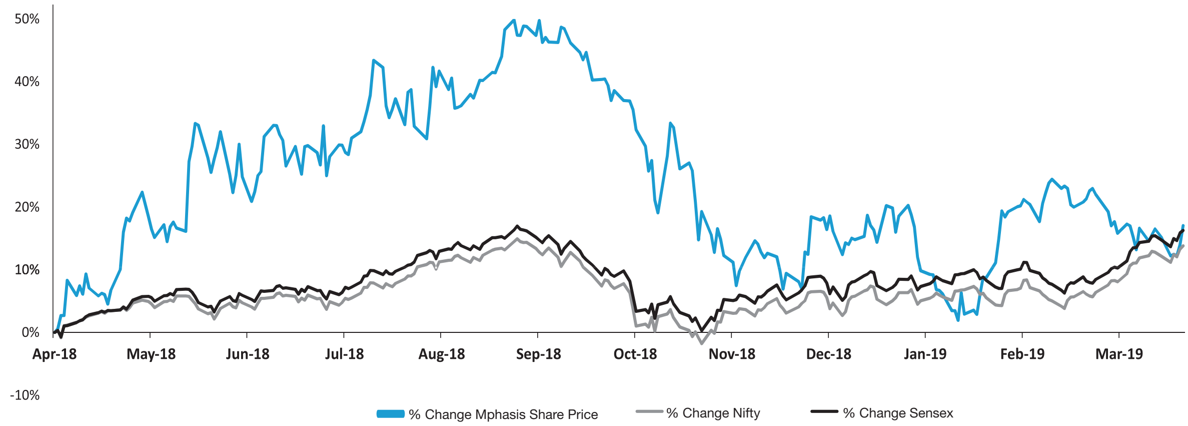
The month wise high low and closing prices and the volume of shares of the Company traded for the period 1 April 2018 to 31 March 2019 on The National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) are given below:

Month	NSE				BSE			
	High	Low	Close	Volume for the month	High	Low	Close	Volume for the month
	(₹)	(₹)	(₹)	(Shares)	(₹)	(₹)	(₹)	(Shares)
Apr-18	1060	838	1036	9,925,655	1053	837	1034	402,749
May-18	1150	960	1101	31,299,455	1148	964	1100	1,027,114
Jun-18	1155	995	1084	7,320,879	1150	994	1085	527,149
Jul-18	1248	1062	1152	8,099,622	1237	1065	1154	896,152
Aug-18	1279	1140	1260	8,234,260	1276	1143	1264	484,498
Sep-18	1277	1148	1173	7,450,007	1278	1148	1172	881,708
Oct-18	1183	938	987	14,555,378	1184	940	987	1,694,676
Nov-18	1020	882	1003	7,689,908	1019	884	999	443,880
Dec-18	1038	943	1018	6,092,477	1037	945	1014	362,689
Jan-19	1028	858	1003	8,766,196	1028	855	1000	550,753
Feb-19	1063	987	1041	4,412,224	1060	987	1046	224,477
Mar-19	1050	936	991	4,756,670	1050	938	989	334,764

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

Based on the closing quotation of ₹ 991 per share as at 29 March 2019 at the National Stock Exchange of India Limited (NSE), the market capitalization of the Company is ₹ 185 billion (market capitalisation as at 31 March 2018 was ₹ 162 billion), representing a growth of 14.20% of market capitalization as at 31 March 2019.

Performance of Mphasis Stock vis-a-vis Market Indices



(h) Members' Profile

The shareholding pattern of the members of the Company as on 31 March 2019 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	97,317,781	-	97,317,781	52.26
Foreign Institutional Investors	4	689,151	100	689,251	0.37
Foreign Portfolio Investors	336	54,640,957	-	54,640,957	29.34
Financial Institutions and Banks	12	732,339	-	732,339	0.39
Mutual Funds	69	14,103,580	-	14,103,580	7.57
Bodies Corporate	612	9,409,163	1,000	9,410,163	5.05
Non-Resident Indians	1626	1,622,291	-	1,622,291	0.87
Resident Indians	59,889	7,128,029	89,558	7,217,587	3.88
Others	328	485,090	-	485,090	0.26
Total	**62,877**	**186,128,381**	**90,658**	**186,219,039**	**100.00**

(i) Distribution of Shareholding as on 31 March 2019

Category	Shareholders		Shares held	
	Number	Percentage	Number	Percentage
Upto 500	60,802	96.70	3,985,788	2.14
501 - 1000	822	1.31	622,550	0.33
1001 - 2000	388	0.62	565,922	0.30
2001 - 3000	150	0.24	376,140	0.20
3001 - 4000	89	0.14	315,296	0.17
4001 - 5000	87	0.14	399,008	0.21
5001 - 10000	146	0.23	1,053,072	0.57
10001 & above	393	0.63	178,901,263	96.07
Total	**62,877**	**100.00**	**186,219,039**	**100.00**

(j) 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 2018	12	4500
2	Transfer of Shares to Investor Education and Protection Fund during the year, pursuant to Section 124(6) of the Companies Act, 2013 Refer Note 1	0	0
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	0	0
4	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account as at 31 March 2019	12	4500

Notes:

1. *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.*
2. *As at the date of the report, 200 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.

(k) Address for Communication

Company Contact	RTA Contact
Mr. Subramanian Narayan Vice President and Company Secretary Mphasis Limited, Bagmane World Technology Center, Marathahalli Outer Ring Road, Doddanakundi Village, Mahadevapura, Bengaluru - 560 048, India Phone: +91 (080) 6750 1000	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

For and on behalf of the Board of Directors

Paris, France
27 May 2019

Davinder Singh Brar
Chairman

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 2019, as stipulated under the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

My examination was carried out in accordance with the Guidance Note on certification of Corporate Governance (as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), issued by The Institute of Company Secretaries of India (ICSI) and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliances of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of Company.

Based on the information, explanations given to me and according to the examination of the relevant records, the representations and all material disclosures made by the Directors and the Management, the Company has complied with the provisions of Corporate Governance as stipulated under the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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

Date : 27 May 2019
Place : Bengaluru

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 Requirement) 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) as considered necessary 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, 2019 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	Director	15/02/2013
2.	00042261	Nitin Rakesh	Whole-time Director	26/07/2017
3.	00068502	Davinder Singh Brar	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	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: 27 May 2019
Place: Bengaluru

ACS : 10028
CP No. : 4738

INDEPENDENT AUDITOR'S 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 2019, 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 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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 115 – Revenue from Contracts with Customers	
As described in Note 21 to the standalone financial statements, the Company has adopted Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115'), the new standard on revenue recognition. The application and transition to this accounting standard is complex and is an audit focus area. The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue should be recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of the transaction price, allocation of the transaction price to identified performance obligations, and the appropriateness of the revenue recognition methodology. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. The Company adopted the cumulative effect method to transition to Ind AS 115, consequently comparative financial information was not restated.	Our audit procedures on adoption of Ind AS 115, Revenue from contracts with Customers ('Ind AS 115'), the new standard on revenue recognition, include the following – • Evaluated the design and implementation of the processes and internal controls relating to implementation of the new revenue recognition standard • Evaluated the detailed analysis performed by management across revenue streams by selecting samples for the existing contracts with customers and verified the appropriateness of identification of distinct performance obligations, determination of the transaction price, allocation of the transaction price to identified performance obligations and the appropriateness of the revenue recognition methodology • Evaluated the appropriateness of the adjustments recorded by management as at 1 April 2018 to transition to the new revenue standard, using the cumulative effect method; and • Evaluated the appropriateness of the accounting policy and disclosures provided under the new revenue standard and assessed the completeness and mathematical accuracy of the relevant disclosures.

INDEPENDENT AUDITOR’S REPORT (CONTINUED)

The key audit matter	How the matter was addressed in our audit
Evaluation of tax positions	
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. These involve significant management judgment to determine the possible outcome of the tax litigations, consequently having an impact on related accounting and disclosures in the financial statements. Refer Note 20 to the financial statements.	Our audit procedures include the following substantive procedures: • Obtained an understanding of key tax litigations and potential tax exposures • We along with our internal tax experts - ▪ read and analyzed select key correspondences and consultations carried out by management with external tax experts for key tax litigations and potential tax exposures; ▪ discussed with appropriate senior management and evaluated management’s underlying key assumptions and grounds of appeal in estimating the tax provisions; and ▪ evaluated the status of the recent and current tax assessments / inquiries, results of previous tax assessments and changes in the tax environment to assess management’s estimate of the possible outcome of key tax litigations and potential tax exposures.

Other Information

The Company’s management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company’s annual report, but does not include the financial statements and 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.

Management’s 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 and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, 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 either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 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 standalone financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Standalone Financial Statements (Continued)

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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.

Other Matter

Corresponding figures for the year ended 31 March 2018 have been audited by another auditor who expressed an unmodified opinion dated 10 May 2018 on the standalone financial statements of the Company for the year ended 31 March 2018.

Our opinion on the standalone financial statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Report on Other Legal and Regulatory Requirements (Continued)

(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 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the 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 2019 on its financial position in its standalone financial statements - Refer Note 28 to the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, 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 2019.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

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

Paris
27 May 2019

INDEPENDENT AUDITOR'S 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 2019, we report the following:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets 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 fixed assets 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.

(ii) The Company is a service company and accordingly, it does not have 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 Section 185 and 186 of the Act, 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 Section 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 Service Tax, Duty of customs, Value Added Tax, 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, Duty of Customs, Goods and Services tax, Cess and any other material statutory dues were in arrears, as at 31 March 2019, 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 which have not been deposited by the Company on account of disputes, except for the following:

Name of the statue	Nature of dues	Amount* (₹ in millions)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Income Tax Act, 1961	Income tax	7,582.01	2004-05, 2006-07, 2008-09, 2009-10, 2012-13 and 2013-14	Income Tax Appellate Tribunal
		910.03	2010-11, 2011-12 and 2014-15	Commissioner of Income Tax, Appeals
		365.99	2000-01 to 2005-06	Supreme Court
Income Tax Act, 1961	Withholding taxes	1,933.4	2012-13, 2013-14 and 2014-15	Commissioner of Income Tax Appeals
		4,956.63	2005-06 to 2011-12	Income Tax Appellate Tribunal
		3.37	1999-00 to 2001-02	Supreme Court
Finance Act , 1994	Service tax	250.25	2004-05 to 2008-09	CESTAT, Karnataka
		18.74	October 2011 to March 2015	Commissioner (Appeals), Karnataka

Annexure A to the Independent Auditors' Report (Continued)

Name of the statue	Nature of dues	Amount* (₹ in millions)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Maharashtra Value Added Tax Act, 2002	Sales tax	0.06	2013-14	Deputy commissioner of Commercial Taxes, Maharashtra
Tennessee Sales and Use Tax Regulations, USA	Sales and Use Tax	350.33	December 2011 to April 2015	Department of Revenue, Tennessee

* Net of amounts paid under protest amounting to ₹ 4,164.39 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, 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.

(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 explanation 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

Paris
27 May 2019

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Annexure B to the Independent Auditors' report on the standalone financial statements of Mphasis Limited for the year ended 31 March 2019

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 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's 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 financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Annexure B to the Independent Auditors' report (Continued)

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 financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Amit Somani
Partner
Membership No: 060154

Paris
27 May 2019

STANDALONE FINANCIAL STATEMENTS
STANDALONE BALANCE SHEET

(₹ million)

	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	886.05	529.04
Capital work-in-progress		15.77	18.20
Other intangible assets	4	90.35	114.89
Intangible assets under development		13.41	3.40
Financial assets			
Investments	5	14,982.29	15,626.75
Trade receivables	6	10.60	10.60
Loans	7	702.06	1,120.20
Other financial assets	8	612.10	75.25
Deferred tax assets (net)	20	712.01	829.50
Income tax assets (net)	20	4,402.10	3,891.43
Other assets	9	840.87	1,502.47
Total non-current assets		**23,267.61**	**23,721.73**
Current assets			
Financial assets			
Investments	10	5,864.70	9,627.36
Trade receivables	6	5,017.52	5,595.21
Unbilled receivables (previous year: unbilled revenue)		2,818.67	1,891.48
Loans	7	1,032.18	619.27
Cash and cash equivalents	11.a	1,438.31	1,975.87
Bank balances other than cash and cash equivalents	11.b	27.03	136.15
Other financial assets	8	1,134.84	1,323.57
Other assets	9	2,176.20	1,768.87
Total current assets		**19,509.45**	**22,937.78**
TOTAL ASSETS		**42,777.06**	**46,659.51**

STANDALONE FINANCIAL STATEMENTS
STANDALONE BALANCE SHEET

(₹ million)

	Notes	As at 31 March 2019	As at 31 March 2018
EQUITY AND LIABILITIES			
Equity			
Share capital	12	1,862.26	1,932.67
Other equity	13	30,773.97	37,141.57
Total equity		**32,636.23**	**39,074.24**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	14	39.57	38.15
Employee benefit obligations	15	778.59	519.29
Provisions	16	-	50.00
Other liabilities	17	91.52	-
Total non-current liabilities		**909.68**	**607.44**
Current liabilities			
Financial liabilities			
Borrowings	18	2,383.10	1,299.60
Trade payables	19		
- outstanding dues to micro and small enterprises		4.87	5.96
- outstanding dues to creditors other than micro and small enterprises		3,321.10	3,108.45
Other financial liabilities	14	1,786.13	749.27
Employee benefit obligations	15	180.52	354.94
Provisions	16	83.23	231.03
Income tax liabilities (net)	20	1,101.03	672.64
Other liabilities	17	371.17	555.94
Total current liabilities		**9,231.15**	**6,977.83**
TOTAL EQUITY AND LIABILITIES		**42,777.06**	**46,659.51**

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

Paris
27 May 2019

for **and on behalf of the Board of Directors**

Nitin Rakesh
Chief Executive Officer

Narayanan Kumar
Director

V. Suryanarayanan
Executive Vice President &
Chief Financial Officer

Subramanian Narayan
Vice President & Company Secretary

Paris
27 May 2019

STANDALONE FINANCIAL STATEMENTS
STANDALONE STATEMENT OF PROFIT AND LOSS

(₹ million)

	Notes	Year ended 31 March 2019	Year ended 31 March 2018
Income			
Revenue from operations	21	34,340.19	32,748.71
Other income	22	1,185.86	1,216.16
Total income (I)		**35,526.05**	**33,964.87**
Expenses			
Employee benefits expense	23	14,411.37	13,915.52
Finance costs	24	66.74	52.38
Depreciation and amortization expense	25	383.85	317.89
Other expenses	26	10,937.09	10,243.56
Total expenses (II)		**25,799.05**	**24,529.35**
Profit before exceptional item and tax (III) [(I)-(II)]		**9,727.00**	**9,435.52**
Exceptional item (net of tax) (IV)	41	-	130.78
Profit before tax (III)-(IV)		**9,727.00**	**9,304.74**
Tax expenses	20		
Current tax		1,994.99	2,183.56
Deferred tax		37.68	(277.73)
Total tax expenses		**2,032.67**	**1,905.83**
Profit for the year before exceptional item		**7,694.33**	**7,529.69**
Profit for the year after exceptional item (A)		**7,694.33**	**7,398.91**

STANDALONE FINANCIAL STATEMENTS
STANDALONE STATEMENT OF PROFIT AND LOSS

(₹ million)

	Notes	Year ended 31 March 2019	Year ended 31 March 2018
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		227.90	(715.49)
Income tax effect on the above		(79.64)	246.38
Items not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains / (losses) on defined employee benefit plans		0.49	(38.67)
Income tax effect on the above		(0.17)	13.94
Total OCI for the year, net of tax (B)		**148.58**	**(493.84)**
Total comprehensive income for the year (A+B)		**7,842.91**	**6,905.07**
Earnings per equity share before exceptional item (par value ₹ 10 per share)	27		
Basic (₹)		40.18	38.35
Diluted (₹)		39.78	38.29
Earnings per equity share after exceptional item (par value ₹ 10 per share)	27		
Basic (₹)		40.18	37.69
Diluted (₹)		39.78	37.63
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

Paris
27 May 2019

for **and on behalf of the Board of Directors**

Nitin Rakesh
Chief Executive Officer

Narayanan Kumar
Director

V. Suryanarayanan
Executive Vice President &
Chief Financial Officer

Subramanian Narayan
Vice President & Company Secretary

Paris
27 May 2019

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 2017	210.42	2,104.24
Issue of shares	0.21	2.13
Equity shares extinguished on buy back [refer note 12(d)(ii a)]	(17.37)	(173.70)
As at 31 March 2018	**193.26**	**1,932.67**
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 12(d) (ii b)]	(7.32)	(73.21)
As at 31 March 2019	**186.22**	**1,862.26**

b. Other equity

(₹ million)

	Attributable to the equity owners of the Company									Total
	Reserves and surplus								Items of OCI	
	Securities premium (1)	General reserve (2)	Retained earnings (3)	Capital reserve (4)	Capital redemption reserve ('CRR') (5)	Special Economic Zone re-investment reserve (6)	Share based payments (7)	Treasury shares (8)	Hedging reserve (9)	
As at 1 April 2017	**1,654.10**	**6,576.85**	**35,455.23**	**265.16**	**-**	**-**	**190.47**	**(0.45)**	**707.66**	**44,849.02**
Profit for the year	-	-	7,398.91	-	-	-	-	-	-	**7,398.91**
Other comprehensive income	-	-	(24.73)	-	-	-	-	-	(469.11)	**(493.84)**
Dividends *	-	-	(3,951.45)	-	-	-	-	-	-	**(3,951.45)**
Buy back of equity shares [refer note 12(d)(ii a)]	(1,654.10)	(6,576.85)	(2,799.05)	-	173.70	-	-	-	-	**(10,856.30)**
Buy back expenses	-	-	(30.34)	-	-	-	-	-	-	**(30.34)**
Transfer to general reserve	-	739.89	(739.89)	-	-	-	-	-	-	**-**
Share based expenses	-	-	-	-	-	-	199.02		-	**199.02**
Issue of shares on exercise of stock options	95.18	2.18	-	-	-	-	(71.26)	0.45	-	**26.55**
As at 31 March 2018	**95.18**	**742.07**	**35,308.68**	**265.16**	**173.70**	**-**	**318.23**	**-**	**238.55**	**37,141.57**

* Including dividend distribution tax amounting to ₹ 668.37 million.

	Securities premium (1)	General reserve (2)	Retained earnings (3)	Capital reserve (4)	Capital redemption reserve ('CRR') (5)	Special Economic Zone re-investment reserve (6)	Share based payments (7)	Treasury shares (8)	Hedging reserve (9)	Total
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 12(d)(ii b)]	(176.59)	(743.89)	(8,962.27)	-	73.21	-	-	-	-	**(9,809.54)**
Buy back expenses	-	-	(66.44)	-	-	-	-	-	-	**(66.44)**
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)	-	-	-	**-**
Transfer to general reserve	-	769.43	(769.43)	-	-	-	-	-	-	**-**
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**

* Including dividend distribution tax amounting to ₹ 794.88 million.

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:

1. **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.
2. **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.
3. **Retained earnings** - Retained earnings comprises of prior and current year's undistributed earnings after tax.
4. **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.
5. **Capital Redemption Reserve** - 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.
6. **Special Economic 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.
7. **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.
8. **Treasury shares** - Represents equity shares of the Company held by the controlled trusts. These are recorded at cost.
9. **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 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

Paris
27 May 2019

for **and on behalf of the Board of Directors**

Nitin Rakesh
Chief Executive Officer

Narayanan Kumar
Director

V. Suryanarayanan
Executive Vice President &
Chief Financial Officer

Subramanian Narayan
Vice President & Company Secretary

Paris
27 May 2019

STANDALONE FINANCIAL STATEMENTS
STANDALONE STATEMENT OF CASH FLOWS

(₹ million)

	Year ended 31 March 2019	Year ended 31 March 2018
Operating activities		
Profit before tax	**9,727.00**	**9,435.52**
Adjustments to reconcile profit before tax to net cash provided by operating activities:		
Depreciation and amortization expense	383.85	317.93
Utilization of the rent equalisation reserve	412.43	574.06
Profit on sale of property, plant and equipment and intangible assets	(23.17)	(7.46)
Net gain on investments carried at fair value through profit and loss	(706.40)	(752.02)
Amortized cost of deposits	(4.27)	(6.20)
Share based payment expenses	79.76	89.10
Provision for expected credit loss	42.67	(20.24)
Provision against investment in subsidiary	4.38	-
Finance costs	66.74	23.40
Interest income	(102.11)	(122.70)
Dividend income	(0.04)	-
Unrealized exchange loss, net	87.76	16.93
Operating profit before working capital changes	**9,968.60**	**9,548.32**
Working capital changes		
(Increase) / decrease in trade receivables and unbilled receivables	(419.29)	1,521.51
(Increase) / decrease in loans	193.56	200.84
(Increase) / decrease in other financial assets	191.30	(0.79)
(Increase) / decrease in other assets	(139.40)	(259.42)
Increase / (decrease) in trade payables	211.56	(1,183.33)
Increase / (decrease) in other financial liabilities	825.01	106.35
Increase / (decrease) in provisions and employee benefit obligations	(112.43)	(342.51)
Increase / (decrease) in other liabilities	(185.74)	314.28
Total working capital changes	**564.57**	**356.93**
Income tax paid (net of refunds)	(2,077.27)	(2,245.22)
Net cash flows generated from operating activities (A)	**8,455.90**	**7,660.03**

STANDALONE FINANCIAL STATEMENTS
STANDALONE STATEMENT OF CASH FLOWS

(₹ million)

	Year ended 31 March 2019	Year ended 31 March 2018
Investing activities		
Purchase of property, plant and equipment and intangible assets	(702.16)	(213.11)
Proceeds from sale of property, plant and equipment and intangible assets	28.73	13.48
Purchase of investments	(50,331.68)	(42,724.54)
Sale of investments	55,440.85	48,354.65
Interest received	131.12	113.48
Dividends received	0.04	-
Re-investment of dividend	(0.04)	-
Investments in bank deposits	(187.18)	(27.00)
Redemption / maturity of bank deposits	163.15	-
Net cash flows generated from investing activities (B)	**4,542.83**	**5,516.96**
Financing activities		
Proceeds from issue of shares	103.69	28.72
Payment towards buy back of shares (including buy-back expenses ₹ 66.44 and ₹ 30.34 respectively)	(9,949.19)	(11,060.34)
Repayment of borrowings	(1,371.13)	(2,567.49)
Availment of borrowings	2,393.99	3,850.16
Interest paid	(58.83)	(23.40)
Dividends paid (including tax on dividend of ₹ 794.88 and ₹ 668.37 respectively)	(4,654.82)	(3,949.29)
Net cash flows used in financing activities (C)	**(13,536.29)**	**(13,721.64)**
Net decrease in cash and cash equivalents (A+B+C)	**(537.56)**	**(544.65)**
Cash and cash equivalents at the beginning of the year	1,975.87	2,520.52
Cash and cash equivalents at the end of the year [refer note 11(a)]	**1,438.31**	**1,975.87**

Summary of significant 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

Paris
27 May 2019

for **and on behalf of the Board of Directors**

Nitin Rakesh
Chief Executive Officer

Narayanan Kumar
Director

V. Suryanarayanan
Executive Vice President &
Chief Financial Officer

Subramanian Narayan
Vice President & Company Secretary

Paris
27 May 2019

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, multicultural organisation headquartered in Bengaluru, India, specialises in providing a suite of application development and maintenance services, infrastructure outsourcing services and business & knowledge process outsourcing solutions to clients around the world.

The standalone financial statements for the year ended 31 March 2019 have been approved by the Board of Directors on 27 May 2019.

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 from time to time).

2. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

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

- Derivative financial instruments.
- Investments classified as Fair Value Through Profit or Loss ('FVTPL').
- Fair value 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 Company has consistently applied the following accounting policies to all periods presented in these standalone financial statements, except for the adoption of Ind AS 115 – Revenue from Contracts with Customers, which was adopted with effect from 1 April 2018.

USE OF ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the standalone financial statements in conformity with Ind AS requires the 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 reported. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised, and future periods are affected.

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 of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. 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. 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 20).

  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 35).

  The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the 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 interval in response to demographic changes. Future salary increases and gratuity 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.

- **Revenue recognition**

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

REVENUE RECOGNITION

Policy applicable from 1 April 2018

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 which establishes a comprehensive framework for determining whether, how much and when revenue is recognized. Ind AS 115 replaces Ind AS 18 Revenue, Ind AS 11 Construction Contracts and related interpretations. The Company has adopted Ind AS 115 using the cumulative effect method (without the practical expedient), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018). Under this transition method, the standard is applied retrospectively only to contracts that are not completed as at the date of initial application, and the comparative information is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The adoption of the standard did not have any material impact on the financial statements of the Company.

- Revenues from rendering application development and maintenance services comprise income from time-and-material and fixed price contracts. Revenues from call centre 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 is 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) / Service Tax / Goods and Service 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. Other contract assets have been disclosed as contract assets within other assets. 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 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 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 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 business verticals, geography, services rendered, delivery location and project type (refer note 33).

Policy applicable before 1 April 2018

Refer note 2 “Significant Accounting Policies” in the Company’s standalone financial statements as at and for the year ended 31 March 2018 for the accounting policies that were in effect for revenues recognized prior to 1 April 2018.

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.

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 and intangible assets is calculated on a straight-line basis using the rates arrived at, based on the useful lives estimated by the 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 the management are given below:

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 primary lease term whichever is less
Office equipment	5	5
Plant and equipment	15	4 to 7
Server and networks	6	6
Software	As per Ind AS 38	3 to 7
Vehicles	8	5

In respect of plant and equipment, furniture and fixtures and vehicles, the 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

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Operating lease payments are recognised in the statement of profit and loss on a straight-line basis over the lease term, unless the lease agreement explicitly states that increase is because of inflation.

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalised at the fair value of the leased asset or the present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recorded as finance costs in the standalone statement of profit or loss and other comprehensive income.

Assets acquired under finance lease are depreciated over the shorter of the estimated useful life of the asset and the lease term.

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 FVTOCI, 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 life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company provides for impairment upon the occurrence of the triggering event.

b. Non-financial assets

- **Tangible and intangible assets**

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

  If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the 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 factoring arrangements are derecognized in accordance with Ind AS 109.

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 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 and other comprehensive income.

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 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 statement of profit and loss. The gain or loss on disposal is recognized in the statement of profit and loss.

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

e. **Other financial assets**

Other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. These are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any impairment losses. These comprise trade receivables, unbilled receivables, deposits with banks and other assets.

f. **Financial liabilities**

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

Derivative financial instruments

The Company is exposed to foreign currency fluctuations on foreign currency assets and liabilities. The Company holds derivative financial instruments such as foreign exchange forward contract 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 statement of profit and loss as expenses.

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

a. **Cash flow hedge accounting**

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 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 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 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 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 statement of financial position 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 36).

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

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

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

f. Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 —Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
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 and other comprehensive income 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. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognised in OCI are not to be subsequently reclassified to 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 and other comprehensive income. 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.

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 (SBP) 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 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 settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the 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 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. 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.

  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 statement of comprehensive income 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 SEZs, 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 reverse after the tax holiday ends.

  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 a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each 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 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 statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

STANDARDS / PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company has not applied as they are effective from 1 April 2019.

Ind AS 116 – Leases

Ind AS 116 will replace the current guidance in Ind AS 17, 'Leases'. Ind AS 116 defines a lease as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116 with effect from annual reporting periods beginning on 1 April 2019. The Company has chosen to apply the standard retrospectively, with the cumulative effect of initially applying the standard, recognized on the date of initial application i.e. 1 April 2019. Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019. On that date, the Company will recognise 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 date, but discounted using the lessee's incremental borrowing rate as at 1 April 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided by the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Company will recognise with effect from 1 April 2019 new assets and liabilities for its operating leases of premises and other assets.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. Under Ind AS 116, the nature of expenses related to those leases will change from lease rent in previous periods to amortisation charge for the right- to use asset and interest accrued on lease liability.

The Company is evaluating the effect of Ind AS 116 on its standalone financial statements.

Ind AS 19, 'Employee Benefits'

Limited amendments to Ind AS 19 in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. These amendments will apply to any future plan amendments, curtailments, or settlements of the Company on or after 1 April 2019. The Company does not expect this amendment to have any significant impact on its financial statements.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company is evaluating the effect of the said amendment on its standalone financial statements.

Amendment to Ind AS 12 – 'Income Taxes'

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is akin to taxes paid on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12. The Company is evaluating the effect of the said amendment on its 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 2017	**81.96**	**370.11**	**297.84**	**64.12**	**29.84**	**81.97**	**72.43**	**998.27**
Additions	11.40	85.14	41.30	7.80	4.31	-	0.17	**150.12**
Disposals	(2.08)	(4.04)	(43.64)	(0.11)	(0.16)	(15.28)	-	**(65.31)**
At 31 March 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**
Depreciation								
At 1 April 2017	**26.74**	**116.66**	**112.60**	**22.41**	**14.81**	**28.09**	**48.42**	**369.73**
Charge for the year	16.99	132.98	48.40	13.40	5.46	16.78	10.98	**244.99**
Disposals	(2.00)	(4.02)	(42.80)	(0.09)	(0.10)	(11.67)	-	**(60.68)**
At 31 March 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**
Net block								
At 31 March 2018	**49.55**	**205.59**	**177.30**	**36.09**	**13.82**	**33.49**	**13.20**	**529.04**
At 31 March 2019	**62.94**	**187.43**	**239.43**	**67.51**	**45.94**	**18.15**	**264.65**	**886.05**

	As at 31 March 2019	As at 31 March 2018
4. OTHER INTANGIBLE ASSETS		
Software		
Cost		
Balance as per previous financial statements	294.79	258.61
Additions	49.71	42.68
Disposals	(13.07)	(6.50)
	331.43	**294.79**
Amortization		
Balance as per previous financial statements	179.90	112.01
Amortization	74.25	72.94
Disposals	(13.07)	(5.05)
	241.08	**179.90**
Net block	**90.35**	**114.89**

	As at 31 March 2019			As at 31 March 2018		
	Shares	Per share	₹ million	Shares	Per share	₹ million
5. 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	3,724.39
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 BVBA	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	LKR 112.10	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)			-
Mphasis Deutschland GmbH (Nominal capital of 91,000 Deutch Mark)	-	-	2.52	-	-	2.52
Less: Provision for impairment in value of investment			(2.52)			(2.52)
Mphasis (Shanghai) Software & Services Company Limited (100% equity interest)	-	-	105.35	-	-	105.35
Mphasis Europe BV	3,381,654	€ 1	9,647.64	3,381,654	€ 1	9,647.64
Investment in subsidiaries (A)			**14,166.12**			**14,170.51**
	As at 31 March 2019			**As at 31 March 2018**		
	Units	**NAV (₹)**	**₹ million**	**Units**	**NAV (₹)**	**₹ million**
Investments carried at amortized cost						
Quoted bonds						
7.19% India Infrastructure Finance Company Limited	599,500	1,000	599.50	929,500	1,000	929.50
7.11% Power Finance Corporation Ltd.	-	-	-	25,670	1,000	25.67
7.21% Power Finance Corporation Ltd.	-	-	-	100	1,000,000	100.00
7.21% India Infrastructure Finance Company Limited	-	-	-	100	1,000,000	100.00
8.10% Housing and Urban Development Corporation	-	-	-	50,000	1,000	50.00
7.34% Housing and Urban Development Corporation	-	-	-	50,000	1,000	50.00
Quoted fixed maturity plan securities						
Aditya Birla Sun Life FTP – Series PH Direct Growth	20,000,000	10.8334	216.67	20,000,000	10.0534	201.07
Investments other than subsidaries (B)			**816.17**			**1,456.24**
Total non-current investments (A+B)			**14,982.29**			**15,626.75**
Aggregate value of unquoted non-current investments in subsidiaries			14,228.80			14,228.81
Aggregate value of quoted non-current investments			816.17			1,456.24
Aggregate amount of impairment in value of investments			(62.68)			(58.30)

(₹ million)

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
6. TRADE RECEIVABLES				
Unsecured				
Considered good *	10.60	10.60	5,049.06	5,595.21
Allowance for doubtful receivables	-	-	(31.54)	-
Credit impaired	-	-	371.00	365.29
Allowance for doubtful receivables	-	-	(371.00)	(365.29)
	10.60	**10.60**	**5,017.52**	**5,595.21**

* Includes receivables from subsidiaries (refer note 30).

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
7. LOANS				
Unsecured - considered good				
Deposits	702.06	1,120.20	1,010.22	586.61
Employee advances	-	-	21.96	32.66
	702.06	**1,120.20**	**1,032.18**	**619.27**

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
8. OTHER FINANCIAL ASSETS				
Unsecured - considered good				
Non-current bank balances (refer note 11.b)*	133.32	0.17	-	-
Accrued interest	-	-	15.39	44.40
Recoverable from subsidiaries (refer note 30)	-	-	581.90	843.97
Derivative assets	478.78	75.08	512.47	425.80
Others	-	-	25.08	9.40
	612.10	**75.25**	**1,134.84**	**1,323.57**

* Includes restricted deposits of ₹ 11.14 million (31 March 2018: ₹ nil).

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
9. OTHER ASSETS				
Unsecured - considered good				
Rent equalisation reserve	5.63	25.10	53.62	354.09
Contract assets	-	-	80.63	-
Employee advances	-	-	10.34	-
Capital advances	376.38	375.97	-	-
Prepaid expenses	208.33	47.58	470.16	480.28
Advances to suppliers	-	-	397.86	600.12
Indirect tax recoverable	250.53	1,053.82	1,163.59	334.38
	840.87	**1,502.47**	**2,176.20**	**1,768.87**

	As at 31 March 2019			As at 31 March 2018		
	Units	NAV (₹)	₹ million	Units	NAV (₹)	₹ million
10. CURRENT INVESTMENTS						
Investments carried at FVTPL						
Unquoted mutual funds						
Kotak Equity Arbitrage Fund Direct Growth	41,470,753	27.2030	1,128.13	41,470,753	25.5148	1,058.12
HDFC Ultrashort term	33,707,973	10.4744	353.07	-	-	-
IDFC Cash fund	841,901	2,266.5224	1,908.19	-	-	-
ABSL Money manager Fund Direct	1,594,133	251.6049	401.09	-	-	-
ABSL Liquid fund - Growth	-	-	-	5,233,773	279.3146	1,461.87
L&T Liquid Fund Direct Plan Growth	-	-	-	142,820	2,382.8749	340.32
Reliance Liquid Fund - Treasury Plan Direct Growth	-	-	-	323,614	4,239.9424	1,372.10
Kotak Floater Short Term - Direct Plan Growth	-	-	-	302,787	2,851.9553	863.53
DSP BlackRock FMP Series 222	-	-	-	25,000,000	10.0771	251.93
Reliance Fixed Horizon Fund XXXVI series 4	-	-	-	25,000,000	10.0811	252.03
Kotak FMP Series 218 Direct Growth	-	-	-	25,000,000	10.0747	251.87
Quoted debentures						
Citicorp Finance (India) Ltd.	18,500	107,870.00	1,995.60	36,000	102,829.72	3,701.87
Quoted bonds						
0 % Nabard 2020	1,700	17,818.1400	30.29	1,700	16,671.70	28.34
0 % REC 2020	1,830	26,410.7700	48.33	1,830	24,795.60	45.38
			5,864.70			**9,627.36**
Aggregate value of quoted current investments			**2,074.22**			**3,775.59**
Aggregate net asset value of unqouted mutual fund investments			**3,790.48**			**5,851.77**

(₹ million)

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
11. CASH AND CASH EQUIVALENTS *				
a. Balances with banks:				
In current accounts	-	-	1,306.59	1,867.03
Deposits with original maturity of less than 3 months	-	-	111.00	95.17
Unclaimed dividend	-	-	20.72	13.67
	-	**-**	**1,438.31**	**1,975.87**
b. Bank balances other than cash and cash equivalents				
Deposits with remaining maturity for more than 12 months	133.32	0.17	-	-
Deposits with remaining maturity for less than 12 months	-	-	27.03	136.15
	133.32	**0.17**	**27.03**	**136.15**
Disclosed under other non-current financial assets (refer note 8)	(133.32)	(0.17)	-	-
	-	**-**	**27.03**	**136.15**
	-	**-**	**1,465.34**	**2,112.02**

* Includes restricted deposits of ₹ nil (31 March 2018: ₹ 22.17 million).

(₹ million)

	As at 31 March 2019	As at 31 March 2018
12. EQUITY SHARE CAPITAL		
Authorised share capital		
245,000,000 (31 March 2018: 245,000,000) equity shares of ₹ 10 each	2,450.00	2,450.00
Issued, subscribed and fully paid-up shares		
186,219,039 (31 March 2018: 193,260,182) equity shares of ₹ 10 each fully paid-up	1,862.19	1,932.60
Add: Amount originally paid-up on forfeited shares	0.07	0.07
Total issued, subscribed and fully paid-up share capital	**1,862.26**	**1,932.67**

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

	As at 31 March 2019		As at 31 March 2018	
	Number of shares	₹ million	Number of shares	₹ million
At the beginning of the year	193,260,182	1,932.60	210,417,080	2,104.17
Issue of shares upon exercise of employee stock options	278,712	2.79	213,180	2.13
Issue of bonus shares	700	0.01	-	-
Buy back of shares [refer note 12(d)(ii)]	(7,320,555)	(73.21)	(17,370,078)	(173.70)
Outstanding at the end of the year	**186,219,039**	**1,862.19**	**193,260,182**	**1,932.60**

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

The Company has only one class of equity shares having 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 in 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 2019	As at 31 March 2018
Marble II Pte Limited (subsidiary of the ultimate holding company) *		
97,317,781 (31 March 2018: 116,691,668) equity shares of ₹ 10 each fully paid	973.18	1,166.92

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

(d) Equity shares movement during five years immediately preceding 31 March 2019.

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

	As at 31 March 2019	As at 31 March 2018
Equity shares allotted as fully paid bonus shares by capitalization of securities premium / retained earnings	700	-

(ii) Equity shares extinguished / cancelled on buy back

a. During the previous year ended 31 March 2018, the Company had completed the buyback of 17,370,078 fully paid-up equity shares of face value of ₹ 10 each ("equity shares") on 2 June 2017, 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. During the current year, the Company has 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 2019		As at 31 March 2018	
	Number of shares	% of holding	Number of shares	% of holding
Marble II Pte Limited	97,317,781	52.26	116,691,668	60.38

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 13.

(₹ million)

	As at 31 March 2019	As at 31 March 2018
13. OTHER EQUITY		
Securities premium		
Balance as per previous financial statements	95.18	1,654.10
Utilized for buy back of equity shares	(176.59)	(1,654.10)
Premium received on issue of shares	100.90	26.59
Transferred from share based payment reserve, on exercise of options	49.77	68.59
Closing balance	**69.26**	**95.18**
General reserve		
Balance as per previous financial statements	742.07	6,576.85
Utilized for buy back of equity shares	(743.89)	(6,576.85)
Reversal on lapse of options granted	1.93	2.18
Transferred from retained earnings	769.43	739.89
Closing balance	**769.54**	**742.07**
Retained earnings		
Balance as per previous financial statements	35,308.68	35,455.23
Re-measurement gains / (losses) on defined benefit plans	0.32	(24.73)
Profit for the year	7,694.33	7,398.91
Issue of bonus shares	(0.01)	-
Utilized for buy back of equity shares	(8,889.06)	(2,625.35)
Transferred to CRR on buy back of equity shares	(73.21)	(173.70)
Buy back expenses	(66.44)	(30.34)
Transferred to Special Economic Zone re-investment reserve	(1,411.16)	-
Transferred from Special Economic Zone re-investment reserve	416.98	-
Less: Appropriations		
Dividends	3,866.99	3,283.08
Dividend Distribution Tax	794.88	668.37
Transfer to general reserve	769.43	739.89
Total appropriations	**5,431.30**	**4,691.34**
Closing balance	**27,549.13**	**35,308.68**

(₹ million)

	As at 31 March 2019	As at 31 March 2018
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	173.70	-
Transferred from retained earnings on buy back of equity shares	73.21	173.70
Closing balance	**246.91**	**173.70**
Share based payments		
Balance as per previous financial statements	318.23	190.47
Expense for the year	226.45	199.02
Transferred to securities premium on exercise of options	(49.77)	(68.59)
Exercise of options	-	(0.45)
Reversal on lapse of options granted	(1.93)	(2.22)
Closing balance	**492.98**	**318.23**
Special Economic Zone re-investment reserve		
Balance as per previous financial statements	-	-
Transfer from retained earnings	1,411.16	-
Utilization during the year	(416.98)	-
Closing balance	**994.18**	**-**
Treasury shares		
Balance as per previous financial statements	-	(0.45)
Transactions during the year	-	0.45
Closing balance	**-**	**-**
Hedging reserve		
Balance as per previous financial statements	238.55	707.66
Transactions during the year	(715.85)	1,130.37
Transfer to statement of profit and loss	864.11	(1,599.48)
Closing balance	**386.81**	**238.55**
Total other equity	**30,773.97**	**37,141.57**

Dividend on equity shares

The Board of Directors, at its meeting held on 10 May 2018 had proposed the final dividend of ₹ 20 per share for the year ended 31 March 2018. The dividend proposed by the Board of Directors has been approved by the shareholders' in the Annual General Meeting held on 7 August 2018. This resulted in a cash outflow of ₹ 4,654.82 million, inclusive of dividend distribution tax of ₹ 794.88 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.

The movements in the options granted under the 1998 Plan – (Version I) for the year ended 31 March 2019 and 31 March 2018 are set out below:

	Year ended 31 March 2019		Year ended 31 March 2018	
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 2019 have an exercise price of ₹ 34.38 (31 March 2018: ₹ 34.38).

1998 Plan - (Version II): Commencing January 2000, the Company decided to grant all future options at the market price immediately preceding the date of grant. The equity shares covered under these options vest at various dates over a period ranging from twelve to forty-eight months from the date of grant based on the grade of the employee. However, in the case of options granted to the then Managing Director or Chief Executive Officer, the vesting period of the options, subject to minimum period of one year from the date of grant, is determined by the ESOP Committee and approved by the Board. The options are to be exercised within a period of ten years from their date of vesting.

The movements in the options granted under the 1998 Plan - (Version II) for the year ended 31 March 2019 and 31 March 2018 are set out below:

	Year ended 31 March 2019		Year ended 31 March 2018	
1998 Plan (Version II)	No. of options	Weighted Average Exercise Price (₹)	No. of options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning	-	-	9,816	84.67
Lapsed	-	-	6,616	84.21
Exercised	-	-	3,200	85.63
Options outstanding at the end	**-**	**-**	**-**	**-**

Employees Stock Option Plan - 2004 (the 2004 Plan)

At the Extraordinary General Meeting held on 12 May 2004, the shareholders approved a new Employee Stock Option Plan. The 2004 Plan provides for the issue of equity shares to employees and directors of the Company and its subsidiaries and for the exchange of outstanding stock options of Msource Corporation as on 20 September 2004, pursuant to its merger with Mphasis Corporation and the assumption of the Msource stock options by the Company.

The 2004 Plan is administered through the ESOP Committee appointed by the Board and comprises two programs. Under Program A, outstanding options of Msource Corporation were exchanged for options in the Company on the agreed exchange ratio of 0.14028 stock options with underlying equity shares of the Company for each stock option in the Msource 2001 plan, the exercise price being the equivalent amount payable by the option holder under the Msource 2001 plan. The equity shares underlying these options vest over a period up to forty-eight months from the date of assumption by the Company and shall be exercisable within a period of ten years from the original date of grant under the Msource 2001 plan.

Options under Program B represent fresh grants and will be issued to employees at an exercise price which shall be equal to the fair value of the underlying shares at the date of grant. The equity shares covered under these options vest over a period ranging from twelve to forty-eight months from the date of grant. The exercise period is two years from the date of vesting.

The movements in the options under the 2004 Plan for the year ended 31 March 2019 and 31 March 2018 are set out below:

	Year ended 31 March 2019		Year ended 31 March 2018	
2004 Plan	No. of options	Weighted Average Exercise Price (₹)	No. of options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning	-	-	1,598	138.69
Lapsed	-	-	1,598	138.69
Options outstanding at the end	**-**	**-**	**-**	**-**

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.

The movements in the options under the 2016 plan for the year ended 31 March 2019 and 31 March 2018 are set out below:

	Year ended 31 March 2019		Year ended 31 March 2018	
2016 Plan	No. of options	Weighted Average Exercise Price (₹)	No. of options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning	4,958,886	541.91	3,885,100	500.00
Granted	223,000	941.00	1,613,176	630.20
Forfeited	289,760	560.28	485,610	504.59
Lapsed	12,500	500.00	-	-
Exercised	203,910	504.84	53,780	500.00
Options outstanding at the end	**4,675,716**	**561.53**	**4,958,886**	**541.91**
Exercisable at the end	**1,388,326**	**527.78**	**658,000**	**500.00**

The weighted average share price as at the date of exercise of stock option was ₹ 1,064.34 (31 March 2018: ₹ 831.99) The options outstanding as at 31 March 2019 have an exercise price ranging from ₹ 500.00 to ₹ 941.00 (31 March 2018: ₹ 500.0 to ₹ 650.00) and the weighted average remaining contractual life is of 4.24 years (31 March 2018: 5.10 years).

The weighted average fair value of stock options granted during the year was ₹ 298.19 (31 March 2018: ₹ 228.54). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	As at 31 March 2019	As at 31 March 2018
Weighted average share price on the date of grant (₹)	972.80	775.62
Exercise Price (₹)	941.00	500.00 to 650.00
Expected Volatility	37.57%	24.18% to 26.98%
Life of the options granted in years	1-5 years	1-5 years
Average risk-free interest rate	7.53%	6.38% to 7.26%
Expected dividend rate	1.68%	2.85% to 3.93%

Total employee compensation cost pertaining to 2016 Plan during the year is ₹ 79.76 million, (31 March 2018: ₹ 89.10 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 for the year ended 31 March 2019 and 31 March 2018 are set out below:

	Year ended 31 March 2019		Year ended 31 March 2018	
RSU 2014 Plan	No. of units	Weighted Average Exercise Price (₹)	No. of units	Weighted Average Exercise Price (₹)
Units outstanding at the beginning	35,455	10.00	88,545	10.00
Lapsed	1,354	10.00	-	-
Exercised	28,788	10.00	53,090	10.00
Units outstanding at the end	**5,313**	**10.00**	**35,455**	**10.00**
Exercisable at the end	**5,313**	**10.00**	**35,455**	**10.00**

The weighted average share price as at the date of exercise of stock unit was ₹ 1,063.72 (31 March 2018: ₹ 654.64). The units outstanding on 31 March 2019 have an exercise price of ₹ 10.00 (31 March 2018: ₹ 10.00) and the weighted average remaining contractual life is of 0.42 years (31 March 2018: 1.18 years).

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 for the year ended 31 March 2019 and 31 March 2018 are set out below:

	Year ended 31 March 2019		Year ended 31 March 2018	
RSU 2015 Plan	No. of units	Weighted Average Exercise Price (₹)	No. of units	Weighted Average Exercise Price (₹)
Units outstanding at the beginning	83,850	10.00	192,900	10.00
Lapsed	750	10.00	5,000	10.00
Exercised	46,014	10.00	104,050	10.00
Units outstanding at the end	**37,086**	**10.00**	**83,850**	**10.00**
Exercisable at the end	**37,086**	**10.00**	**83,850**	**10.00**

The weighted average share price as at the date of exercise of stock unit was ₹ 1,098.70 (31 March 2018: ` 629.92). The units outstanding on 31 March 2019 have an exercise price of ₹ 10.00 (31 March 2018: ₹ 10.00) and the weighted average remaining contractual life is of 0.61 years (31 March 2018: 1.62 years).

(₹ million)

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
14. OTHER FINANCIAL LIABILITIES				
Salary related costs	-	-	1,308.07	475.18
Capital creditors	-	-	40.96	13.26
Other payables	0.85	10.67	117.80	99.37
Unpaid dividend*	-	-	20.72	13.67
Derivative liabilities	38.72	27.48	298.58	147.79
	39.57	**38.15**	**1,786.13**	**749.27**

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

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
15. EMPLOYEE BENEFIT OBLIGATIONS				
Provision for gratuity [refer note 35 (a)]	778.59	519.29	-	200.00
Provision for employee compensated absences	-	-	180.52	154.94
	778.59	**519.29**	**180.52**	**354.94**

(₹ million)

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
16. PROVISIONS				
Provision for loss on long-term contract	-	50.00	10.20	150.00
Other provisions	-	-	73.03	81.03
	-	**50.00**	**83.23**	**245.80**

Provisions	Provision for loss on long-term contract	Others
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
Non-current	-	-
As at 1 April 2017	204.06	83.03
Additions during the year	200.00	-
Utilised / paid	(204.06)	(2.00)
As at 31 March 2018	**200.00**	81.03
Current	150.00	81.03
Non-current	50.00	-

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
17. OTHER LIABILITIES				
Unearned revenue	-	-	91.53	301.02
Advances received from customers	-	-	0.02	0.02
Rent equalization reserve	91.52	-	0.97	-
Statutory dues	-	-	278.65	254.90
	91.52	**-**	**371.17**	**555.94**

	As at 31 March 2019	As at 31 March 2018
18. BORROWINGS		
Unsecured		
Loan from Citibank *	1,000.00	-
Pre-shipment loan in foreign currency from bank **	1,383.10	1,299.60
	2,383.10	**1,299.60**

* Loan from Citibank carries interest @ 8.5%. The loan is repayable on or before 31 July 2019.

** Pre-shipment loan carries interest @ LIBOR plus 0.6% (31 March 2018: LIBOR plus 0.05%) p.a. The loan is repayable on 29 May 2019.

Refer note 37 for Company's exposure to interest rate, foreign currency and liquidity risks.

(₹ million)

	As at 31 March 2019	As at 31 March 2018
19. TRADE PAYABLES		
Outstanding dues of micro and small enterprises	4.87	5.96
Trade payables *	3,321.10	3,108.45
	3,325.97	**3,114.41**

* includes payables to subsidiaries (refer note 30)

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 2019 and 31 March 2018. The details in respect of such dues are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal amount	4.87	5.96
- Interest	1.03	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	0.51	0.45
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	16.10	14.56

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. This has been relied upon by the auditors.

20. TAXES

Income tax expenses in the statement of profit and loss consist of the following: (₹ million)

	Year ended 31 March 2019	Year ended 31 March 2018
Taxes		
Current taxes	1,994.99	2,183.56
Deferred taxes	37.68	(277.73)
Total taxes	**2,032.67**	**1,905.83**

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 Special Economic Zone ('SEZ'). Under the Special Economic Zone Act, 2005 scheme, units in designated special economic zones providing service on or after April 1, 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 10 years subject to the creation of SEZ Reinvestment Reserve which is required to be spent within 3 financial years.

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.

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 2019 and 31 March 2018 relates to origination and reversal of temporary differences.

The Company will be liable to pay dividend distribution tax ('DDT') as per Income-tax Act, 1961 once the dividends are declared & approved by shareholders in the AGM for a concluded and audited financial year. The DDT would be payable as per the then applicable rates as prescribed and in vogue under the Income Tax Act 1961 for the year of declaration & payment of dividend.

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 2019	Year ended 31 March 2018
Profit before exceptional item and tax	**9,727.00**	**9,435.52**
Applicable tax rates in India	34.944%	34.608%
Computed tax charge (A)	**3,399.00**	**3,265.44**
Tax effect on exempt operating income	(801.12)	(851.94)
Tax effect on exempt non-operating income	(22.32)	(99.38)
Tax effect on non-deductible expenses	43.19	22.98
Tax effect on differential domestic/overseas tax rate and other disallowances	0.01	20.16
Tax effect on deferred tax assets recognised on carried forward long term capital loss	-	(123.02)
Reversal of tax expenses pertaining to prior period	(763.40)	(331.96)
Tax effect on unrecognized deferred tax assets	178.26	-
Others, net	(0.95)	3.55
Total adjustments (B)	(1,366.33)	(1,359.61)
Total tax expenses (A+B)	**2,032.67**	**1,905.83**

Income tax expense for the year ended 31 March 2019 and 31 March 2018 includes reversal (net of provisions) of ₹ 763.40 million and ₹ 331.96 million, respectively.

(₹ million)

	As at 31 March 2019	As at 31 March 2018
Income tax assets (Net)		
Advance income-tax (net of provision for taxation)	4,402.10	3,891.43
	4,402.10	**3,891.43**
Income tax liabilities (Net)		
Provision for taxation	1,101.03	672.64
	1,101.03	**672.64**
Net income tax asset	**3,301.07**	**3,218.79**

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

	As at 31 March 2019	As at 31 March 2018
Deferred Tax Asset (net)		
Property, plant and equipment and other intangible assets	347.85	415.14
Provision for doubtful debts and advances	142.56	157.92
Provision for employee benefits	361.41	364.89
Provision for loss on long-term contract	16.23	16.23
Rent equalization reserve	(14.22)	(132.50)
On carried forward long term capital loss	105.63	123.02
Derivative liabilities	(207.77)	(128.13)
Others	(39.68)	12.93
	712.01	**829.50**

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

	As at 1 April 2018	Statement of Profit and loss	OCI	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**

(₹ million)

	As at 1 April 2017	Statement of Profit and loss	OCI	As at 31 March 2018
Deferred Tax Asset (net)				
Property, plant and equipment and other intangible assets	434.54	(19.40)	-	415.14
Provision for doubtful debts and advances	163.41	(5.49)	-	157.92
Provision for employee benefits	359.81	(8.86)	13.94	364.89
Provision for loss on long-term contract	16.09	0.14	-	16.23
Rent equalization reserve	(330.43)	197.93	-	(132.50)
On carried forward long term capital loss	-	123.02	-	123.02
Derivative liabilities	(374.51)	-	246.38	(128.13)
Others	22.54	(9.61)	-	12.93
Total	**291.45**	**277.73**	**260.32**	**829.50**

	Year ended 31 March 2019	Year ended 31 March 2018
21. REVENUE FROM OPERATIONS		
Sale of services	35,204.30	31,149.23
Profit / (loss) on cash flow hedges reclassified to revenue	(864.11)	1,599.48
	34,340.19	**32,748.71**

Information in relation to revenue disaggregation is disclosed in note 33.

The effect of initially applying Ind AS 115 on the Company's revenue from contracts with customers is described in note 2 - Revenue recognition. Due to the transition method chosen in applying Ind AS 115, comparative information has not been restated to reflect the new requirements.

Reconciliation of revenue recognised with contracted price is as follows:

	Year ended 31 March 2019
Contracted price	35,334.65
Reductions towards variable consideration components	(130.35)
Revenue as per statement of profit and loss	**35,204.30**

A. Contract balances

The following table discloses the movement in contract assets during the year ended 31 March 2019:

	Year ended 31 March 2019
Balance at the beginning of the year	6.77
Revenue recognized during the year	135.81
Invoiced during the year	(62.52)
Exchange gain / (loss)	0.57
Closing balance	**80.63**

The following table discloses the movement in unearned revenue balances during the year ended 31 March 2019:

	Year ended 31 March 2019
Balance as per previous financial statements	301.02
Revenue recognized during the year	689.32
Invoiced during the year	(900.65)
Exchange (gain) / loss	1.84
Closing balance	**91.53**

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 2019 is ₹ 4,168.00 million. Out of this, the Company expects to recognize revenue of around 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.

(₹ million)

	Year ended 31 March 2019	Year ended 31 March 2018
22. OTHER INCOME		
Interest income on		
Bank deposits	38.28	32.07
Long term bonds	63.83	90.63
Others	78.41	81.75
Dividend income	0.04	-
Net gain on investments carried at FVTPL *	706.40	752.02
Foreign exchange gain / (loss), (net)	180.69	178.05
Profit on sale of fixed assets, (net)	23.17	7.46
Sublease income	76.24	69.23
Miscellaneous income	18.80	4.95
	1,185.86	**1,216.16**

*includes profit on sale of investments amounting to ₹ 64.52 million (31 March 2018; ₹ 88.72 million).

	Year ended 31 March 2019	Year ended 31 March 2018
23. EMPLOYEE BENEFITS EXPENSE		
Salaries and bonus	13,346.19	12,808.97
Contribution to provident and other funds	609.99	699.93
Employee share based payments	79.76	89.10
Staff welfare expenses	375.43	317.52
	14,411.37	**13,915.52**

	Year ended 31 March 2019	Year ended 31 March 2018
24. FINANCE COSTS		
Interest expense	66.74	23.40
Exchange difference to the extent considered as an adjustment to borrowing costs	-	28.98
	66.74	**52.38**

	Year ended 31 March 2019	Year ended 31 March 2018
25. DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation of property, plant and equipment (refer note 3)	309.60	244.95
Amortization of intangible assets (refer note 4)	74.25	72.94
	383.85	**317.89**

(₹ million)

	Year ended 31 March 2019	Year ended 31 March 2018
26. OTHER EXPENSES		
Software development expenses	4,445.21	4,061.71
Legal and professional charges	1,793.56	1,731.37
Rent	1,766.59	1,734.92
Travel	489.83	420.13
Software support and annual maintenance charges	848.11	684.30
Communication expenses	276.26	280.08
Recruitment expenses	146.31	87.13
Power and fuel	303.84	249.95
Insurance	75.84	80.44
Rates and taxes	-	64.56
Repairs and maintenance - others	72.12	20.27
Provision for expected credit loss	42.67	(20.24)
Sales support and marketing expenses	67.39	68.25
Corporate Social Responsibility expense (refer note 40)	182.20	129.12
Miscellaneous expenses	412.40	633.99
Payment to auditor (refer details below)	14.76	17.58
	10,937.09	**10,243.56**

	Year ended 31 March 2019	Year ended 31 March 2018
Payment to Auditor *		
As auditor:		
Statutory audit fee	11.40	13.50
Other services (certification fees)	3.12	2.97
Reimbursement of expenses	0.24	1.11
	14.76	**17.58**

* excluding Service Tax / Goods and Service tax.

27. EARNINGS PER SHARE (‘EPS’)

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

	Year ended 31 March 2019	Year ended 31 March 2018
Profit before exceptional item (₹ in million)	7,694.33	7,529.69
Profit after exceptional item (₹ in million)	7,694.33	7,398.91
Number of weighted average shares considered for calculation of basic earnings per share	191,495,657	196,333,584
Add: Dilutive effect of stock options	1,906,012	297,424
Number of weighted average shares considered for calculation of diluted earnings per share	**193,401,669**	**196,631,008**
Earnings per equity share after exceptional item (par value ₹ 10 per share)	40.18	38.35
Basic (₹)	39.78	38.29
Diluted (₹)		
Earnings per equity share after exceptional item (par value ₹ 10 per share)		
Basic (₹)	40.18	37.69
Diluted (₹)	39.78	37.63

28. 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 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 Company in relation to direct taxes, transfer pricing and indirect tax matters not acknowledged as debts amount to ₹ 10,120.47 million (31 March 2018: ₹ 9,348.85 million).

   The Company has furnished bank guarantees amounting to ₹ 6,661.95 million (31 March 2018: ₹ 6,661.95 million) against such orders. These demands are being contested by the Company based on management evaluation, advice of tax consultants and legal opinions obtained. No provision has been made in the books of accounts. The Company has filed appeals against such orders with the appropriate appellate 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 2019: ₹ 145.61 million (31 March 2018: ₹ 576.69 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 acknowledge as debts amounting to ₹ 707.59 million (31 March 2018: ₹ 707.59 million).

d. 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.

e. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for as at 31 March 2019: ₹ 77.57 million (31 March 2018: ₹ 230.09 million).

29. OPERATING LEASES

The Company has entered into non-cancellable operating leases for equipment and office space. Total rental expense under non-cancellable operating leases amounted to ₹ 764.35 million for the year ended 31 March 2019 (31 March 2018: ₹ 762.99 million).

Future minimum lease payments under non-cancellable operating leases are as follows: **(₹ million)**

Period	As at 31 March 2019	As at 31 March 2018
Not later than 1 year	231.95	274.26
Later than 1 year and not later than 5 years	547.27	273.02
Total minimum lease commitments	**779.22**	**547.28**

Total rental expense under cancellable operating leases for the year ended 31 March 2019 amounted to ₹ 1,002.24 million (31 March 2018: ₹ 971.93 million).

The Company has also subleased office space under cancellable operating lease agreements. The total sublease rental income under cancellable operating leases amounted to ₹ 66.94 million for the year ended 31 March 2019 (31 March 2018: ₹ 52.61 million). The total sublease rental income under non-cancellable operating leases for the year ended 31 March 2019 amounted to ₹ 9.30 million (31 March 2018: 16.62 million).

Future minimum sublease receivables under non-cancellable operating lease as at 31 March 2019 are as follows:

Period	As at 31 March 2019	As at 31 March 2018
Not later than 1 year	-	9.30
Total	**-**	**9.30**

30. 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 Limited	Intermediate holding company
Marble II Pte Limited	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 BVBA ('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	Wyde Tunisie SARL
Wyde Corporation Inc.	Mphasis Wyde SASU
Mphasis Wyde Inc.	PT. Mphasis Indonesia ('Mphasis Indonesia')*
Mphasis UK Limited ('Mphasis UK')	Msource Mauritius Inc. ('Msource Mauritius')
Mphasis Consulting Limited ('Mphasis Consulting')	Mphasis Philippines Inc.
Mphasis Software and Services (India) Private Limited ('Mphasis India')	Mphasis Lanka Private Limited ('Mphasis Lanka')
Mphasis Australia Pty Limited ('Mphasis Australia')	Stelligent Systems LLC
Mphasis (Shanghai) Software & Services Company Limited ('Mphasis China')	

* On 16 April 2018, the shareholders of PT. Mphasis Indonesia resolved to dissolve and liquidate the entity. Accordingly, an amount of ₹ 4.38 million has been provided for in the financial statements of the Company.

Key management personnel

Nitin Rakesh	Chief Executive Officer and Executive Director
V. Suryanarayanan	Executive Vice President & Chief Financial Officer
Subramanian Narayan	Vice President & Company Secretary (Appointed w.e.f. 1 November 2017)
Davinder Singh Brar	Independent Director, Chairman of the Board
Narayanan Kumar	Independent Director
Jan Kathleen Hier	Independent Director
Amit Dixit	Director
Amit Dalmia	Director
Paul James Upchurch	Director
David Lawrence Johnson	Director
Marshall Jan Lux	Director- Appointed w.e.f. 7 August 2018
Dario Zamarian	Director- Resigned w.e.f. 6 August 2018
A. Sivaram Nair	Executive Vice President, Company Secretary General Counsel & Ethics Officer (Resigned w.e.f. 31 October 2017)

The following is the summary of significant transactions with related parties by the Company: (₹ million)

	Year ended 31 March 2019	Year ended 31 March 2018
Rendering of services	**11,425.52**	**10,208.27**
Mphasis USA	8,782.72	8,186.86
Others	2,642.80	2,021.41
Sale of fixed assets	**-**	**2.29**
Msource India	-	2.29
Software development charges	**3,286.05**	**2,658.89**
Mphasis USA	2,697.93	2,384.39
Msource India	363.52	-
Others	224.60	274.50
Sales support and marketing expenses	**67.39**	**68.25**
Mphasis UK	67.39	68.25
Dividend paid (on cash basis)	**2,025.08**	**1,984.57**
Marble II Pte Limited	2,024.62	1,983.76
Others	0.46	0.81
Remuneration / Commission to key management personnel*	**140.24**	**145.52**
Nitin Rakesh**	79.05	86.14
Others	61.19	59.38
Investment in entities where control exists	**-**	**(0.04)**
Mphasis USA	-	(0.04)
Sub-lease rental income	**76.24**	**69.23**
Msource India	58.52	52.61
Digital Risk Mortgage Services, LLC	17.72	16.62
Corporate guarantee commission - income	**10.86**	**-**
Mphasis USA	10.86	-

* This does not include remuneration paid to certain directors by the ultimate parent company and its affiliates as they are employees of the said companies.

** 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 has been deputed for a period of 12 months. Salaries and all other employee benefits (excluding the yearly bonus for the period from 1 April 2018 to 15 October 2018, which will be paid by Mphasis Limited) for Nitin Rakesh, effective 16 October 2018, have been discharged by Mphasis Corporation. The agreement provides for automatic renewal, unless terminated by the Company. Accordingly, the managerial remuneration disclosed above is restricted to the period from 1 April 2018 to 15 October 2018.

In addition to the above, the Company and its subsidiaries incur reimbursable expenses on behalf of each other in the normal course of business.

	Year ended 31 March 2019	Year ended 31 March 2018
Expenses incurred on behalf of related parties	**205.42**	**165.14**
Mphasis USA	143.59	98.16
Msource India	12.73	25.94
Others	49.10	41.04
Cost allocation to related parties	**20.22**	**26.98**
Wyde Corporation	10.44	14.72
Mphasis USA	9.78	12.26
Expenses incurred by related parties on Company's behalf	**44.35**	**270.51**
Msource India	0.04	212.53
Mphasis USA	44.29	53.21
Others	0.02	4.77

Managerial remuneration*

Expenses include the following remuneration to the key management personnel: (₹ million)

	Year ended 31 March 2019	Year ended 31 March 2018
Short-term employee benefits	76.99	72.23
Share based payment	31.20	45.58
Commission to independent directors	31.03	25.62
Other benefits	1.02	2.09
	140.24	**145.52**

* This does not include remuneration paid to certain directors by the ultimate parent company and its affiliates as they are employees of the said companies. Post-employment benefit comprises of gratuity and compensated absences that are not disclosed as these are determined for the Company as a whole.

The balances receivable from and payable to related parties are as follows:

	As at 31 March 2019	As at 31 March 2018
Trade receivables	**2,627.45**	**2,292.09**
Mphasis USA	2,177.26	1,921.10
Others	450.19	370.99
Trade payables	**1,429.09**	**946.93**
Mphasis USA	1,283.51	852.24
Others	145.58	94.69
Remuneration / Commission payable to key management personnel	**8.11**	**5.10**
Davinder Singh Brar	1.57	0.98
Narayanan Kumar	1.42	0.85
Jan Kathleen Hier	1.34	0.87
David Lawrence Johnson	1.28	0.83
Dario Zamarian	-	0.76
Paul James Upchurch	1.25	0.81
Marshall Lux	1.25	-
Other receivables *	**581.90**	**843.97**
Mphasis USA	342.70	578.88
Mphasis China	136.16	175.24
Others	103.04	89.85

* includes collection on behalf of the Company.

31. During the year ended 31 March 2019, the Company has remitted dividend in foreign currency of ₹ 2,026.28 million (31 March 2018: ₹ 1,985.68 million) to non-residents holding 101,313,815 (31 March 2018: 116,804,414) equity shares of the Company.

	Year ended 31 March 2019	Year ended 31 March 2018
Number of shareholders	9	10
Number of shares held	101,313,815	116,804,414
Amount remitted (₹ million)	2,026.28	1,985.68
Year to which the dividend relates	31 March 2018	31 March 2017

32. SEGMENT REPORTING

The Company publishes the standalone financial statements along with the consolidated financial statements. In accordance with Ind AS 108, Operating segments, the Company has disclosed the segment information in the consolidated financial statements and is exempt from disclosing segment information in the standalone financial statements.

33. DISAGGREGATION OF REVENUE

(₹ million)

Business verticals	Year ended 31 March 2019	Year ended 31 March 2018
Banking and Capital Market	13,616.76	11,831.84
Insurance	6,997.56	6,709.55
Information Technology, Communication and Entertainment	5,119.86	4,224.50
Emerging Industries	9,470.12	8,383.34
Unallocated - hedge	(864.11)	1,599.48
Total	**34,340.19**	**32,748.71**

Geographic revenues	Year ended 31 March 2019	Year ended 31 March 2018
USA	25,206.76	22,460.47
India	4,473.03	4,128.49
EMEA	4,092.98	3,391.28
ROW	1,431.53	1,168.99
Unallocated - hedge	(864.11)	1,599.48
Total	**34,340.19**	**32,748.71**

Services rendered	Year ended 31 March 2019	Year ended 31 March 2018
Application development	8,022.70	5,982.42
Application maintenance	14,866.52	13,703.98
Infrastructure management services	7,412.41	7,193.15
Knowledge Processes	22.02	92.15
Service/Technical help desk	1,030.94	875.27
Transaction processing service	3,333.69	2,629.41
Customer Service	507.01	669.14
License Income	9.01	3.71
Unallocated - hedge	(864.11)	1,599.48
Total	**34,340.19**	**32,748.71**

Market	Year ended 31 March 2019	Year ended 31 March 2018
Direct International	23,189.09	19,850.59
DXC / HP business	9,284.49	8,854.33
Others	2,730.72	2,444.31
Unallocated - hedge	(864.11)	1,599.48
Total	**34,340.19**	**32,748.71**

Delivery location	Year ended 31 March 2019	Year ended 31 March 2018
Onsite	4,052.74	8,507.94
Offshore	31,151.56	22,641.29
Unallocated - hedge	(864.11)	1,599.48
Total	**34,340.19**	**32,748.71**

Project type	Year ended 31 March 2019	Year ended 31 March 2018
Fixed price	11,828.46	10,675.49
Time and material	23,375.84	20,473.74
Unallocated - hedge	(864.11)	1,599.48
Total	**34,340.19**	**32,748.71**

STANDALONE FINANCIAL STATEMENTS

34. CAPITAL MANAGEMENT

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

(₹ million)

	As at 31 March 2019	As at 31 March 2018
Total equity attributable to the equity share holders of the Company (A)	32,636.23	39,074.24
Loans and borrowings (B)	2,383.10	1,299.60
Total borrowings as a percentage of total capital (B / C)	**6.81%**	**3.22%**
Total capital (A+B=C)	**35,019.33**	**40,373.84**
Total equity as a percentage of total capital (A / C)	**93.19%**	**96.78%**

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

35. EMPLOYEE BENEFITS

a. Gratuity Plan

In accordance with Indian law, 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 2019	Year ended 31 March 2018
Changes in present value of defined benefit obligations		
Obligations at beginning of the year	1,117.81	1,035.27
Service cost	19.73	115.93
Interest cost	79.55	73.16
Benefits paid	(105.57)	(145.34)
Re-measurement (gain) / loss (through OCI)	(4.37)	38.79
Obligations at end of the year	**1,107.15**	**1,117.81**
Change in plan assets		
Plan assets at beginning of the year, at fair value	398.52	209.22
Expected return on plan assets	40.13	22.36
Re-measurement gain / (loss) (through OCI)	(3.88)	0.12
Employer contributions	5.26	315.35
Benefits paid	(105.57)	(145.34)
Administration charges	(5.90)	(3.19)
Plan assets at end of the year	**328.56**	**398.52**
Present value of defined benefit obligation at the end of the year	1,107.15	1,117.81
Fair value of plan assets at the end of the year	328.56	398.52

(₹ million)

	Year ended 31 March 2019	Year ended 31 March 2018
Net liability recognised in the balance sheet	**(778.59)**	**(719.29)**
Expenses recognised in statement of profit and loss		
Service cost	19.73	115.93
Interest cost (net)	39.42	50.80
Net gratuity cost	**59.15**	**166.73**
Re-measurement gains / (losses) in OCI		
Actuarial (gain) / loss due to financial assumption changes	10.19	(94.19)
Actuarial (gain) / loss due to experience adjustments	(14.57)	132.98
Re-measurement - return on plan assets (greater) less than discount rate	3.89	(0.12)
Total expenses routed through OCI	**(0.49)**	**38.67**

	Year ended 31 March 2019	Year ended 31 March 2018
Assumptions		
Discount rate	7.34%	7.60%
Expected rate of return on plan assets	7.34%	7.60%
Salary increase	5.00%	5.00%
Attrition rate	20.00%	20.00%
Retirement age	60 years	60 years
Future payouts (year ended 31 March)		
2020	201.84	199.36
2021	165.15	156.02
2022	136.15	120.32
2023	110.39	93.85
2024	89.55	72.63
2025-2029	220.75	186.38
Beyond 2029	183.33	289.25
Contributions likely to be made for the next one year	-	200.00

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

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

Insurer managed funds	100%	100%

Sensitivity analysis	Year ended 31 March 2019		Year ended 31 March 2018	
Change in discount rate	1% increase	1% decrease	1% increase	1% decrease
Effect on the defined benefit obligation	(41.30)	44.73	(38.93)	42.19
Change in salary increase rate				
Effect on the defined benefit obligation	45.28	(42.52)	35.10	(33.16)

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 2019. 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 2019 and 31 March 2018.

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

The details of the fund and plan asset position are given below: (₹ million)

	As at 31 March 2019	As at 31 March 2018
Plan assets at the year end	8,213.92	7,352.08
Present value of benefit obligation at year end	8,213.92	7,352.08
Asset recognized in balance sheet	**-**	**-**

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

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

Government of India (GOI) bond yield	7.00%	7.60%
Remaining term of maturity (in years)	12	12
Expected guaranteed rate of return	8.65%	9.25%

The Company contributed ₹ 453.76 million during the year ended 31 March 2019 (31 March 2018: ₹ 437.69 million).

36. FINANCIAL INSTRUMENTS

The carrying value of financial instruments by categories as of 31 March 2019 is as follows:

Particulars	Fair value through profit and loss	Derivative instruments in Hedging relationship	Derivative instruments not in Hedging relationship	Amortised 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**

The carrying value of financial instruments by categories as at 31 March 2018 is as follows: (₹ million)

Particulars	FVTPL	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortized cost	Total
Financial assets					
Cash and cash equivalents	-	-	-	1,975.87	**1,975.87**
Bank balances other than cash and cash equivalents	-	-	-	136.15	**136.15**
Investments (other than investment in subsidiaries)	9,627.36	-	-	1,456.24	**11,083.60**
Trade receivables	-	-	-	5,605.81	**5,605.81**
Loans	-	-	-	1,739.47	**1,739.47**
Derivative assets	-	499.17	1.71	-	**500.88**
Unbilled revenue	-	-	-	1,891.48	**1,891.48**
Other financial assets	-	-	-	897.94	**897.94**
Total	**9,627.36**	**499.17**	**1.71**	**13,702.96**	**23,831.20**
Financial liabilities					
Borrowings	-	-	-	1,299.60	**1,299.60**
Trade payables	-	-	-	3,114.41	**3,114.41**
Derivative liabilities	-	105.01	42.78	-	**147.79**
Other financial liabilities	-	-	-	639.63	**639.63**
Total	**-**	**105.01**	**42.78**	**5,053.64**	**5,201.43**

Fair Value hierarchy:

Particulars	As at 31 March 2019				As at 31 March 2018			
	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	**5,864.70**	3,790.48	2,074.22	-	**9,627.36**	9,627.36	-	-
Derivative assets	**991.25**	-	991.25	-	**500.88**	-	500.88	-
Liabilities								
Derivative liabilities	**337.30**	-	337.30	-	**147.79**	-	147.79	-

During the year ended 31 March 2019, non-convertible debentures and zero-coupon bonds of ₹ 2,074.22 million have been transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

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 2019	As at 31 March 2018
Gross amount of recognised trade receivables	5,800.34	5,930.77
Gross amount of recognised factored trade receivables and volume discount set off in the balance sheet	(772.22)	(324.96)
Net amount presented in balance sheet	**5,028.12**	**5,605.81**

37. FINANCIAL RISK MANAGEMENT

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

- Credit risk
- Interest 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 revenue) and from its financing activities including deposits with banks and financial institutions, investments, foreign exchange transactions 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 accounted for more than 10% of the accounts receivable for the year ended 31 March 2019 and 31 March 2018. Two customer groups accounted individually for more than 10% of the unbilled revenue for the year ended 31 March 2019 and 31 March 2018.

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 2019	As at 31 March 2018
Trade receivables	5,028.12	5,605.81
Unbilled revenue	2,818.67	1,891.48
Total	**7,846.79**	**7,497.29**

The Company's days sales outstanding as at 31 March 2019 is 79 days (31 March 2018: 85 days).

The Company evaluates the concentration of risk with respect to trade receivables as low as they are spread across multiple geographies and multiple industries.

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. 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. One bank accounted for more than 10% of the Company's deposits and bank balances as at 31 March 2019 and 31 March 2018.

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. (₹ million)

Particulars	As at 31 March 2019	As at 31 March 2018
Cash and cash equivalents	1,438.31	1,975.87
Bank balances other than cash and cash equivalents	27.03	136.15
Current Investments	5,864.70	9,627.36
Total	**7,330.04**	**11,739.38**

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

Financial liabilities (31 March 2019)	On demand	0-180 days	180 to 365 days	365 days and above	Total
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**
Financial liabilities (31 March 2018)					
Trade payables	294.68	2,793.02	26.71	-	**3,114.41**
Borrowings	-	1,299.60	-	-	**1,299.60**
Other financial liabilities	38.38	649.08	61.81	38.15	**787.42**
Total financial liabilities	**333.06**	**4,741.70**	**88.52**	**38.15**	**5,201.43**

FOREIGN CURRENCY EXCHANGE RATE RISK

The fluctuation in foreign currency exchange rates may have potential impact on the standalone statement of profit and loss and other comprehensive income and equity, 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'). 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 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					
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**

31 March 2018	₹ million				
Financial assets	**USD**	**GBP**	**EUR**	**Others**	**Total**
Trade receivables	4,032.50	267.21	239.72	224.84	**4,764.27**
Cash and cash equivalents	916.83	-	-	-	**916.83**
Other financial assets	58.30	5.35	12.50	-	**76.15**
Unbilled receivables	1,033.68	119.87	139.14	47.54	**1,340.23**
Total financial assets	**6,041.31**	**392.43**	**391.36**	**272.38**	**7,097.48**
Financial liabilities					**Total**
Trade payables	861.67	29.43	5.40	9.53	**906.03**
Borrowings	1,299.60	-	-	-	**1,299.60**
Other financial liabilities	3.55	-	-	-	**3.55**
Total financial liabilities	**2,164.82**	**29.43**	**5.40**	**9.53**	**2,209.18**
Net financial assets	**3,876.49**	**363.00**	**385.96**	**262.85**	**4,888.30**

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 as at 31 March 2019 and 31 March 2018 are as below:

Currency	As at 31 March 2019		As at 31 March 2018	
Balance sheet hedges	Amount (million)	Amount in (₹ million)	Amount (million)	Amount in (₹ million)
USD	64.79	4,480.55	59.90	3,892.30
GBP	3.28	296.79	3.32	306.09
CAD	2.49	128.23	1.49	75.56
AUD	2.13	104.41	2.17	109.23
EUR	5.40	419.51	4.21	339.94
SGD	1.00	51.04	-	-

Forward contracts outstanding against payables are as below:

Currency	As at 31 March 2019		As at 31 March 2018	
	Amount (million)	Amount in (₹ million)	Amount (million)	Amount in (₹ million)
USD	20.00	1,383.10	20.00	1,299.60

Sensitivity analysis

For every 1% appreciation/depreciation of the respective foreign currencies, the Company's profit before taxes will be impacted approximately by ₹ 6.50 million for the year ended 31 March 2019 (31 March 2018: ₹ 13.84 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.

39. 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 banks.

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.

Forward contracts outstanding against cash flow hedges as at 31 March 2019 and 31 March 2018 are as below:

	31 March 2019			31 March 2018		
Currency	Number of contracts	Notional amount (million)	Fair value (₹ million)	Number of contracts	Notional amount (million)	Fair value (₹ million)
USD	360	461.70	391.60	291	501.50	460.09
GBP	59	15.23	68.72	26	21.52	(78.24)
EUR	53	13.77	105.64	28	13.49	(19.74)
AUD	36	8.70	28.62	13	11.53	4.57
Total			**594.58**			**366.68**

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

(₹ million)

	As at 31 March 2019	As at 31 March 2018
Balance as per previous financial statements	238.55	707.66
Change in fair value of effective portion of cash flow hedge	(636.21)	883.99
(Gain) / loss transferred to statement of profit and loss on occurrence of forecasted hedges	864.11	(1,599.48)
Income tax effect on the above	(79.64)	246.38
Total	**386.81**	**238.55**

Sensitivity analysis

Every 1% appreciation/depreciation of the respective underlying foreign currencies, the Company's OCI will increase or decrease approximately by ₹ 330.00 million for the year ending 31 March 2019 (31 March 2018: ₹ 343.00 million).

40. Pursuant to the requirement of Section 135 of the Companies Act, 2013, a Corporate Social Responsibility ('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 ₹ 182.20 million (31 March 2018: ₹ 168.57 million). The expenses incurred towards CSR activities amounting to ₹ 182.20 million (31 March 2018: ₹ 129.12 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 2019 and 31 March 2018 is as is as follows:

	Year ended 31 March 2019			Year ended 31 March 2018		
Currency	Paid	Not paid	Total	Paid	Not paid	Total
Construction / acquisition of any asset	-	-	-	-	-	-
On purposes other than above	182.20	-	182.20	129.12	-	129.12

41. During the year ended 31 March 2018, upon assessment of future profitability, the Company provided an amount of ₹ 130.78 million (net of tax ₹ 69.22 million) towards expected loss and the same has been disclosed as an exceptional item.

42. The corresponding figures as at and for the year ended 31 March 2018 were audited by a firm, other than B S R & Co. LLP.

43. Subsequent events

The Board of Directors in their meeting held on 27 May 2019 have proposed a final dividend of ₹ 27 per equity share for the year ended 31 March 2019 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 ₹ 5,027.91 million, inclusive of dividend distribution tax of ₹ 1,033.50 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

Paris
27 May 2019

for **and on behalf of the Board of Directors**

Nitin Rakesh
Chief Executive Officer

Narayanan Kumar
Director

V. Suryanarayanan
Executive Vice President &
Chief Financial Officer

Subramanian Narayan
Vice President & Company Secretary

Paris
27 May 2019

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
  Fax: 080 - 2534 8632
- 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
  Fax: 080 - 2534 8632
- 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
  Fax: 080 - 4695 7499
- Tower E, 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
  Fax: 080 - 4695 4999
- Bagmane World Technology Center,
  W.T.C. 2, K.R. Puram
  Marathahalli 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, Mahadevpura , K R Puram,
  Bengaluru - 560 048
  Tel: 080 - 6750 5000
- 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 & 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),
  TSSIIC Software Layout,
  Madhapur, Hyderabad - 500 081
  Tel: 040 - 6788 0000, 4813 6000

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
  Fax: 020 - 6617 0902

AMERICAS

Canada

- 176, Great George Street,
  Suite 414, Charlotte Town, PE, C1A4K
- 5925, Airport Road, Suite 200,
  Mississuaga, 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 : (212) 686-6655
  Fax: (212) 683-1690
- 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,
  Willmington – 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
  Fax: 1 - 602 - 604 - 3115
- Suite 340, South Wind Office Center
  D Building, 8295,
  Tournament Drive Memphis,
  Tennessee - 38215.
- 314, Wall Street, Building J
  Montgomery Township,
  Somerset County, New Jersy - 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,
  Jaksonville, 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

EUROPE

Belgium

- Office No. 9 & 22,
  Leonardo Da Vincilaan,
  9, Zaventem,
  Belgium B-1930

France

- 103-105, rue Anatole France
  92300 Levallois-Perret
- 1 Place Paul Verlaine
  92100 Boulogne - Billancourt
- 32, Allee de Boutart Regus, Bordeaux
  Ravezies 33070, Bordeaux CEDEX

Germany

- Koblenzer, Street 34,
  Postfach 1221,
  D 56130 Bad Ems, Germany
  Tel : 49-2603504151
  Fax: 49(0)-2603506301

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 Advokatbyra 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
- No. G20, 'G' Floor, Regus House,
  Atterbury Lakes, Milton Keynes,
  Bucks, MK10 9RG
- 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
  Fax: + 65 63721739

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

New Zealand

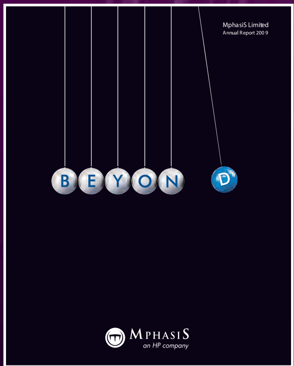
- 99-105, Custom House Quay
  Wellington - 6001, New Zealand

AFRICA

Mauritius

- C/o IQ EQ Corporate Services (Mauritius) Ltd.,
  33, Edith Cavell Street,
  Port Louis, Mauritius - 11324

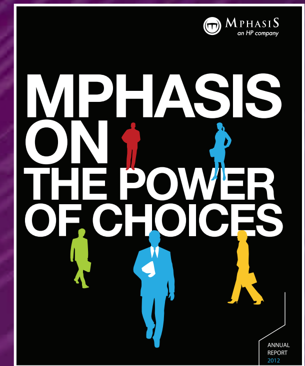
Notes



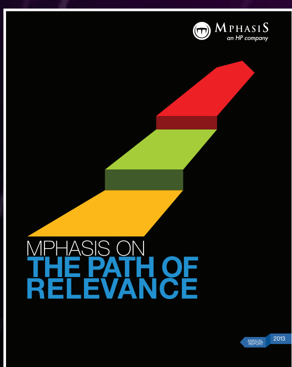
2009 Beyond

2010 Beyond a Billion

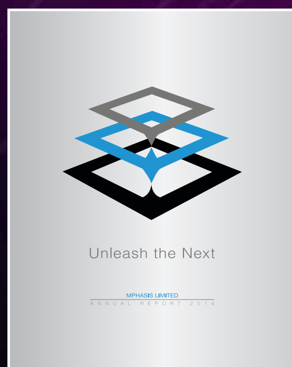
2011 Beyond Ideation



2012 Power of Choices



2013 Path of Relevance

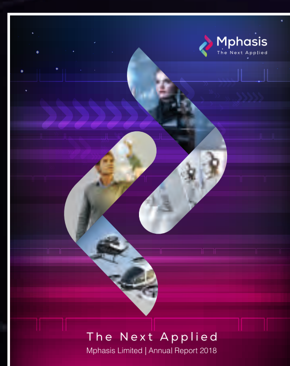


2014 Unleash the Next…

2015 Unleash the Next
Digital Customer Experience

2016 Unleashing the Best
of the Next

2017 The Perfect Balance



2018 The Next Applied

Mphasis focuses on technology as a powerful business enabler. Leading with design, architecture and domain mastery, we show a strong understanding of clients and their end-customers. Our expertise in creating Cognitive, Automated and AI-driven customer experience is backed by our Front2Back™ strategy. This helps us transform enterprises and accelerate business growth with great speed and agility.

2019 Bringing 'T' back into IT

Mphasis

The Next Applied

Annual Report 2019

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 ($C = X2C^{2}_{TM} = 1$) 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