

## LETTER OF OFFER

### THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as a registered Equity Shareholder of Mphasis Limited (the “Company”) as on the Record Date in accordance with Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended (the “Buyback Regulations”). If you require any clarifications about the action to be taken, you should consult your stock broker or your investment consultant or the Manager to the Buyback i.e., JM Financial Institutional Securities Limited, or the Registrar to the Buyback i.e., Integrated Registry Management Services Private Limited. Please refer to the section on “Definition of Key Terms” for the definition of the capitalized terms used herein.



## MPHASIS LIMITED

**Registered Office and Correspondence Address:** Bagmane World Technology Center, Marathalli Outer Ring Road, Doddanakhundi Village, Mahadevapura, Bengaluru - 560 048, India.

Tel. No.: +91 80 6750 1000; Fax: +91 80 6695 9943; e-mail: investor.relations@mphasis.com; Website: www.mphasis.com

**Corporate Identity Number (CIN): L30007KA1992PLC025294**

**Contact Person:** Mr. A Sivaram Nair, Executive Vice President, Company Secretary, General Counsel & Ethics Officer

**CASH OFFER TO BUY BACK UP TO 17,370,078 (SEVENTEEN MILLION THREE HUNDRED SEVENTY THOUSAND AND SEVENTY EIGHT) FULLY PAID-UP EQUITY SHARES OF FACE VALUE RS. 10/- EACH (“EQUITY SHARES”), REPRESENTING UP TO 8.26% OF THE TOTAL PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY, FROM ALL THE SHAREHOLDERS/ BENEFICIAL OWNERS OF THE EQUITY SHARES OF THE COMPANY AS ON THE RECORD DATE i.e., MARCH 31, 2017 (“RECORD DATE”), ON A PROPORTIONATE BASIS, THROUGH THE “TENDER OFFER” AS PRESCRIBED UNDER THE BUYBACK REGULATIONS, AT A PRICE OF RS. 635/- (RUPEES SIX HUNDRED AND THIRTY FIVE ONLY) PER EQUITY SHARE FOR AN AGGREGATE AMOUNT OF UPTO RS. 11,029,999,530/- (RUPEES ELEVEN BILLION TWENTY NINE MILLION NINE HUNDRED NINETY NINE THOUSAND FIVE HUNDRED AND THIRTY ONLY) (THE “BUYBACK SIZE”).**

1. The Buyback is in accordance with Article 54A of the Articles of Association of the Company, Sections 68, 69 and 70 and all other applicable provisions of the Companies Act, 2013, the Companies (Share Capital and Debenture) Rules, 2014, the Companies (Management and Administration) Rule, 2014 and in compliance with Regulation 4(1)(a) of the Buyback Regulations and other applicable provisions under the Buyback Regulations and is subject to such other approvals, permissions and exemptions, as may be required, from time to time from any statutory and/ or regulatory authority, including but not limited to the Securities and Exchange Board of India, the BSE Limited, the National Stock Exchange of India Limited, the Registrar of Companies, Reserve Bank of India and the U.S. Securities and Exchange Commission, which may be agreed by the Board of Directors of the Company (“Board”) and/ or any sub-committee thereof.
2. The Buyback Size represents approximately 24.99% of the aggregate of the total paid-up equity share capital and free reserves as per the standalone audited financial statements of the Company for the nine months ended December 31, 2016 (the last standalone audited balance sheet available as on the date of the Board Meeting recommending the proposal of the Buyback) and is within the statutory limits of 25% of the total paid-up equity share capital and free reserves as per the last standalone audited financial statements of the Company.
3. The Letter of Offer will be sent those Equity Shareholder(s)/ Beneficial Owner(s) of Equity Shares who hold Equity Shares as on the Record Date i.e. March 31, 2017.
4. The procedure for tendering and acceptance is set out in paragraph 22 (*Procedure for Tender Offer and Settlement*) on page 48 of this Letter of Offer. The Form of Acceptance-cum-Acknowledgement (the “Tender Form”) is enclosed together with this Letter of Offer.
5. The payment of consideration is in cash to the Eligible Sellers. For further details on the mode of consideration, please refer to paragraph 22 (XXIV) (*Method of Settlement*) on page 54 of this Letter of Offer.
6. A copy of the Public Announcement published on March 15, 2017, the Draft Letter of Offer and this Letter of Offer (including the Tender Form) shall be available on the website of Securities and Exchange Board of India- <http://www.sebi.gov.in>
7. The Eligible Sellers are advised to refer to paragraph 19 (*Details of the Statutory Approvals*) and paragraph 23 (*Note on Taxation*) on page 41 and 55, respectively, of this Letter of Offer, before tendering their Equity Shares in the Buyback.

**BUYBACK OPENS ON: May 12, 2017**

**BUYBACK CLOSES ON: May 25, 2017**

**LAST DATE OF RECEIPT OF COMPLETED TENDER FORMS AND OTHER SPECIFIED DOCUMENTS INCLUDING PHYSICAL SHARE CERTIFICATES BY THE REGISTRAR: May 27, 2017 by 5.00 pm IST**

**MANAGER TO THE BUYBACK**

**REGISTRAR TO THE BUYBACK**



### JM Financial Institutional Securities Limited

7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400025, Maharashtra, India

Tel.: +91 22 6630 3030; Fax: +91 22 6630 3330

Email: mphasis.buyback@jmfl.com

Website: www.jmfl.com

Contact Person: Ms. Prachee Dhuri

SEBI Regn. No.: INM000010361

Validity Period: Permanent Registration

Corporate Identity Number: U65192MH1995PLC092522



### Integrated Registry Management Services Private Limited

30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru - 560 003.

Tel: +91 80 23460815, 23460816, 23460817 and 23460818

Fax: +91 80 23460819

Email: giri@integratedindia.in; Website: www.integratedindia.in

Contact Person: Mr. S.Vijayagopal/ Mr. S. Giridhar

SEBI Regn. No.: INR000000544

Validity Period: Permanent Registration

Corporate Identity Number: U74900TN2015PTC101466

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**NO OFFER TO SUBSCRIBE/ PURCHASE/ SELL OR AN INVITATION TO SUBSCRIBE/ PURCHASE/ SELL ANY SECURITIES OF THE COMPANY IN ANY JURISDICTION OR AS A SOLICITATION OR AN INVITATION TO SUBSCRIBE/ PURCHASE/ SELL ANY SECURITIES INCLUDING THE EQUITY SHARES OF THE COMPANY**

- *Special notice to security holders in the United States –*

*The Buyback Offer is being made for securities of an Indian company and the Eligible Sellers in the U.S. should be aware that this Letter of Offer and any other documents relating to the Buyback Offer have been or will be prepared in accordance with Indian procedural and disclosure requirements, including requirements regarding the Buyback Offer timetable and timing of payments, all of which differ from those in the U.S. Any financial information included in this Letter of Offer or in any other documents relating to the Buyback Offer has been or will be prepared in accordance with non-U.S. accounting standards that may not be comparable to financial statements of companies in the U.S. or other companies whose financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles.*

*The receipt of cash pursuant to the offer by an Eligible Seller may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each Eligible Seller is urged to consult his independent professional adviser immediately regarding the tax consequences of accepting the Buyback Offer.*

*It may be difficult for U.S. holders of Shares to enforce their rights and any claims they may have arising under the U.S. federal securities laws in connection with the Buyback Offer, since the Company is incorporated in a country other than the U.S., and some or all of its officers and directors may be residents of countries other than the U.S. U.S. holders of shares in the Company may not be able to sue the Company or its officers or directors in a non-U.S. court for violations of U.S. securities laws. Further, it may be difficult to compel the Company or its affiliates to subject themselves to the jurisdiction or judgment of a U.S. court.*

*Neither the U.S. Securities Exchange Commission nor any U.S. State Securities Commission has approved or disapproved the Buyback Offer, or passed any comment upon the adequacy or completeness of this Letter of Offer. Any representation to the contrary is a criminal offence in the U.S.*

- *This Letter of Offer, together with the Public Announcement that was published on March 15, 2017, in connection with this Buyback, has been prepared for the purposes of compliance with the regulations of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as amended. Accordingly the information disclosed may*

*not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. The Company and the Manager to the Buyback are under no obligation to update the information contained herein at any time after the date of this Letter of Offer. This Letter of Offer does not in any way constitute an offer in any form, or an invitation in any form to subscribe/purchase/sell, any securities of the Company in any jurisdiction or as a solicitation or an invitation in any form to subscribe/purchase/sell any securities including the Equity Shares of the Company.*

- *No action has been or will be taken to permit the Buyback in any jurisdiction where action would be required for that purpose. This Letter of Offer shall be dispatched to all Equity Shareholders whose names appear on the register of members of the Company, as of the Record Date. However, receipt of this Letter of Offer by any Eligible Seller in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of this Letter of Offer under any local securities laws), shall not be treated by such Eligible Seller as an offer being made to them and shall be construed by them as being sent for information purposes only.*
- *Persons in possession of this Letter of Offer are required to inform themselves of any relevant restrictions in their respective jurisdictions. Any Eligible Seller who tenders his, her or its Equity Shares in the Buyback/ Offer shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in the Buyback.*

## 1. SCHEDULE OF ACTIVITIES

<b>Activity</b>	<b>Date</b>	<b>Day</b>
Date of the Board Meeting approving the proposal for Buyback	January 31, 2017	Tuesday,
Date of declaration of results of the postal ballot for special resolution by the Equity Shareholders, approving the Buyback	March 13, 2017	Monday
Date of publication of Public Announcement for the Buyback	March 15, 2017	Wednesday
Record Date for determining the Buyback Entitlement and the names of Eligible Sellers	March 31, 2017	Friday
Date of Opening of Buyback Offer	May 12, 2017	Friday
Date of Closing of Buyback Offer	May 25, 2017	Thursday
Last date of receipt of completed Tender Forms and other specified documents including physical share certificates (if and as applicable) by the Registrar	May 27, 2017	Saturday
Last date of verification of Tender Forms by the Registrar	June 2, 2017	Friday
Last date of intimation regarding acceptance/ non-acceptance of tendered Equity Shares to the Stock Exchanges by the Registrar	June 2, 2017	Friday
Last date of settlement of bids on the Stock Exchanges	June 5, 2017	Monday
Last date of dispatch of share certificate(s) by Registrar/ payment to Eligible Sellers/ return of unaccepted demat shares by Stock Exchanges to Selling Broker/ Eligible Sellers.	June 5, 2017	Monday
Last date of extinguishment of Equity Shares	June 12, 2017	Monday

*Note: Where last dates are mentioned for certain activities, such activities may happen on or before the respective last dates*

## 2. DEFINITION OF KEY TERMS

*This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or specified otherwise, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the Buyback Regulations, the Companies Act, the Depositories Act, and the rules and regulations made thereunder.*

<b>Acceptance</b>	Acceptance of Equity Shares tendered by Eligible Sellers in the Buyback Offer.
<b>Acquisition Window</b>	The facility for acquisition of Equity Shares through mechanism provided by the Designated Stock Exchange in the form of a separate window in accordance with the SEBI Circulars
<b>Additional Equity Shares</b>	Additional Equity Shares tendered by an Eligible Seller over and above the Buyback Entitlement of such Equity Shareholder not exceeding the Equity Shares held by such Eligible Seller as on the Record Date.
<b>Articles</b>	Articles of Association of the Company.
<b>Board Meeting</b>	Meeting of the Board of Directors held on January 31, 2017 approving the proposal for the Buyback
<b>Board/ Board of Directors</b>	Board of Directors of the Company (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized "Committee" thereof)
<b>BSE</b>	BSE Limited.
<b>Buyback/ Offer/ Buyback Offer</b>	Buyback of not exceeding 17,370,078 (Seventeen Million Three Hundred Seventy Thousand and Seventy Eight) Equity Shares of face value of Rs. 10/- (Rupees Ten only) each at a price of Rs. 635/- (Rupees Six Hundred and Thirty Five only) per Equity Share from the Equity Shareholders of the Equity Shares of the Company as on the Record Date, by way of Tender Offer through the stock exchange mechanism in terms of the Buyback Regulations read with SEBI Circulars, on a proportionate basis.
<b>Buyback Committee</b>	The Buyback Committee of the Board comprising Mr. Davinder Singh Brar, Chairman of the Board, Mr. Nitin Rakesh, Chief Executive Officer and Whole time Director, Mr. Amit Dixit, Director and Mr. Amit Dalmia, Director constituted and authorized for the purposes of the Buyback by a resolution passed by the Board at its meeting held on January 31, 2017.

<b>Buyback Entitlement</b>	The number of Equity Shares that an Eligible Seller is entitled to tender in the Buyback, based on the number of Equity Shares held by such Eligible Seller, on the Record Date and the ratio/ percentage of Buyback applicable in the category to which such Eligible Seller belongs.
<b>Buyback Price</b>	Price at which Equity Shares will be bought back from the Eligible Sellers i.e., Rs. 635/- (Rupees Six Hundred and Thirty Five only) per Equity Share, payable in cash.
<b>Buyback Opening Date</b>	May 12, 2017
<b>Buyback Closing Date</b>	May 25, 2017
<b>Buyback Regulations</b>	Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 including any statutory modifications or re-enactments thereof.
<b>Buyback Size</b>	Number of Equity Shares proposed to be bought back by the Company (i.e. up to 17,370,078 (Seventeen Million Three Hundred Seventy Thousand and Seventy Eight) Equity Shares) multiplied by the Buyback Price (i.e. Rs. 635/- (Rupees Six Hundred and Thirty Five only) per Equity Share) aggregating to Rs. 11,029,999,530/- (Rupees Eleven Billion Twenty Nine Million Nine Hundred Ninety Nine Thousand Five Hundred and Thirty only).
<b>CDSL</b>	Central Depository Services (India) Limited.
<b>Company</b>	Mphasis Limited.
<b>Companies Act/ Act</b>	The Companies Act, 2013, with Rules notified therein as amended.
<b>Company's Broker</b>	Karvy Stock Broking Limited.
<b>Depositories</b>	Collectively, National Securities Depository Limited and Central Depository Services (India) Limited.
<b>Designated Stock Exchange</b>	The designated stock exchange for the Buyback, being, BSE.
<b>DP</b>	Depository Participant.
<b>Draft Letter of Offer/ DLoF</b>	The draft letter of offer dated March 22, 2017 filed with SEBI through the Manager to the Buyback Offer, containing disclosures in relation to the Buyback as specified in Schedule III of the Buyback Regulations.
<b>Eligible Seller(s)</b>	Person(s) eligible to participate in the Buyback Offer and would mean all Equity Shareholders as on the Record Date i.e., March 31, 2017.
<b>Equity Shares</b>	Fully paid-up equity shares of face value of Rs. 10/- (Rupees Ten only) each of the Company.

<b>Equity Shareholders</b>	Holders of Equity Shares and includes beneficial owners thereof.
<b>Escrow Account</b>	The Escrow Account titled “ <b>MPHISIS LTD-BUY-BACK - ESCROW ACCOUNT</b> ” opened with ICICI Bank Limited in terms of Escrow Agreement.
<b>Escrow Agent</b>	ICICI Bank Limited.
<b>Escrow Agreement</b>	The escrow agreement dated March 18, 2017 entered into between the Company, ICICI Bank Limited and the Manager to the Buyback.
<b>FCNR account</b>	Foreign currency non-resident account.
<b>FEMA</b>	Foreign Exchange Management Act, 1999, as amended.
<b>IT Act/ Income Tax Act</b>	Income Tax Act, 1961, as amended.
<b>Letter of Offer</b>	This Letter of Offer dated April 27, 2017 to be filed with SEBI containing disclosures in relation to the Buyback as specified in Schedule III of the Buyback Regulations, including comments received from SEBI on the Draft Letter of Offer
<b>Manager to the Buyback/ Manager</b>	JM Financial Institutional Securities Limited.
<b>Non-Resident Shareholders</b>	Includes Non-resident Indians (NRI), Foreign Institutional Investors (FII) and Foreign Portfolio Investors (FPI) and erstwhile Overseas Corporate Bodies (OCB) and Foreign Nationals.
<b>NSDL</b>	National Securities Depository Limited.
<b>NSE</b>	The National Stock Exchange of India Limited.
<b>Promoter/ Person in Control</b>	Marble II Pte Ltd.
<b>Public Announcement</b>	The public announcement dated March 14, 2017 regarding the Buyback, published on March 15, 2017 in all editions of Business Standard (English national daily) and Business Standard (Hindi national daily) and published in Bengaluru edition of Hosa Digantha (Regional language daily), each with wide circulation.
<b>RBI</b>	Reserve Bank of India.
<b>Record Date</b>	The date for the purpose of determining the Buyback Entitlement and the names of the Eligible Sellers to whom the Letter of Offer and Tender Form will be sent, and who are eligible to participate in the Buyback Offer in accordance with the Buyback Regulations. The Record Date for the Buyback is March 31, 2017.
<b>Registrar to the Buyback/ Registrar</b>	Integrated Registry Management Services Private Limited.



<b>Rules</b>	The rules notified under Companies Act, 2013.
<b>SEBI</b>	The Securities and Exchange Board of India.
<b>SEBI Circulars</b>	Tendering of Equity Shares by Equity Shareholders and settlement of the same, through the stock exchange mechanism as specified by SEBI in the circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, as may be amended from time to time
<b>Seller Member/ Seller Broker</b>	A stock broker (who is a member of the Stock Exchanges) of an Eligible Seller, through whom the Eligible Seller wants to participate in the Buyback.
<b>Small Shareholder</b>	An Equity Shareholder, who holds Equity Shares of market value not more than Rs. 2,00,000/- (Rupees Two Lakhs only), on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on the Record Date i.e., March 31, 2017.
<b>Stock Exchanges</b>	BSE and NSE, being the stock exchanges where the Equity Shares of the Company are listed.
<b>Tender Form</b>	Form of Acceptance–cum–Acknowledgement.
<b>Tender Offer</b>	Method of buyback as defined in Regulation 2(1)(o) of the Buyback Regulations.
<b>Tendering Period/ Offer Period</b>	Period of 10 working days from the Buyback Opening Date till Buyback Closing Date (both days inclusive).
<b>TRS</b>	Transaction Registration Slip generated by the exchange bidding system.
<b>Working Day</b>	Working day shall have the meaning ascribed to it under the Buyback Regulations.

### 3. DISCLAIMER CLAUSE

As required, a copy of this Letter of Offer has been submitted to SEBI.

It is to be distinctly understood that submission of this Letter of Offer to SEBI should not, in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the Buyback commitments or for the correctness of the statements made or opinions expressed in this Letter of Offer. The Manager to the Buyback, JM Financial Institutional Securities Limited, certifies that the disclosures made in this Letter of Offer are generally adequate and are in conformity with the provisions of the Companies Act and Buyback Regulations. This requirement is to facilitate Eligible Sellers to take an informed decision for tendering their Equity Shares in the Buyback.

It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in this Letter of Offer, the Manager to the Buyback is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Buyback, JM Financial Institutional Securities Limited, has furnished to SEBI a due diligence certificate dated March 22, 2017 in accordance with Buyback Regulations, which reads as follows:

*“We have examined various documents and materials relevant to the Buyback as part of the due diligence carried out by us in connection with the finalization of the public announcement dated March 14, 2017 (the **“Public Announcement”**) and the Draft Letter of Offer dated March 22, 2017. On the basis of such examination and the discussions with the Company, we hereby state that:*

- *The Public Announcement and the Draft Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback;*
- *All the legal requirements connected with the said offer including the SEBI (Buy Back of Securities) Regulations, 1998, as amended, have been duly complied with;*
- *The disclosures in the Public Announcement and the Draft Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the Equity Shareholders of the Company to make a well informed decision in respect of the captioned Buyback;*
- *Funds used for Buyback shall be as per the provisions of the Companies Act, 2013.”*

The filing of offer document with SEBI, does not, however, absolve the Company from any liabilities under the provisions of the Companies Act, or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

The Promoter / Board of Directors declare and confirm that no information/ material likely to have a bearing on the decision of Eligible Sellers has been suppressed/ withheld and/ or incorporated in the manner that would amount to mis-statement/ misrepresentation and in the event of it transpiring at any point of time that any information/ material has been suppressed/ withheld and/ or amounts to a mis-statement/ misrepresentation, the

Promoter / Board of Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act and the Buyback Regulations.

The Promoter / Board of Directors also declare and confirm that funds borrowed from banks and financial institutions will not be used for the Buyback.

### **Forward Looking Statement:**

This Letter of Offer contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as 'aim', 'anticipate', 'believe', 'expect', 'estimate', 'intend', 'objective', 'plan', 'project', 'will', 'will continue', 'will pursue' or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward looking statement.

Actual results may differ materially from those suggest by forward-looking statements due to risks and uncertainties associated with expectations relating to, inter alia, regulatory changes pertaining to the sector in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on business activities or investments, the monetary and fiscal policies, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of financial markets in India and globally, changes in domestic laws, regulations, and taxes and changes in competition in the sector we operate in.

## **4. TEXT OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS**

The Buyback through Tender Offer was considered and approved by the Board of Directors of the Company at their meeting held on January 31, 2017. The relevant extracts of the Board resolutions are as follows:

### **A. APPROVAL OF BUYBACK**

**“RESOLVED THAT** pursuant to Section 68 and all other applicable provisions, if any, of the Companies Act, 2013, as amended, (the **“Act”**), the rules made thereunder, the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (the **“Buyback Regulations”**) including any amendments, statutory modifications or re-enactments for the time being in force, Article 54A of the Articles of Association of the Company and subject to approval of the shareholders and such other approvals, permissions and consents as may be necessary and subject to such modifications, alterations and amendments, if any, as may be prescribed by the appropriate authorities, while granting such approvals, permissions and consents, which is accepted by the Board of Directors of the Company, (hereinafter referred to as the **“Board”**, which expression shall include any Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the Board hereby approves the Buyback of the fully

paid-up equity shares of the Company at a price not exceeding Rs. 635 (Rupees Six Hundred Thirty Five only) per equity share (the “**Buyback Offer Price**”) payable in cash for a total consideration not exceeding Rs. 11,030 Million (Rupees Eleven Thousand and Thirty Million only) (*excluding any expenses incurred or to be incurred for the buyback viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, advisors fees, printing and dispatch expenses and other incidental and related expenses*), representing 25% of the paid-up equity capital and free reserves, as per the audited financial statements of the Company for the period ended 31 December 2016, (the “**Buyback Offer Size**”), through the Tender Offer method as prescribed under the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (the “**Buyback Regulations**”) (the process being referred to as the “**Buyback**”), on a proportionate basis, from all the existing shareholders, including the Promoter (*the term “Promoter” will be such person as have been disclosed under the filings made under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended*), holding fully paid-up equity shares of the Company as on the Record Date to be subsequently decided by the Board.

**RESOLVED FURTHER THAT** the Buyback shall have a reservation for small shareholders in accordance with the provisions of the Buyback Regulations.

**RESOLVED FURTHER THAT** it is hereby recorded that with the Buyback Offer Price and the Buyback Offer Size as approved above, the resultant Buyback equity shares shall be 17,370,078 equity shares (One Crore Seventy Three Lacs Seventy Thousand Seventy Eight) fully paid-up shares representing 8.26% of the fully paid up share capital and the specific price at which the Buyback will be made, within the Buyback Offer Price of Rs.635/- per equity share (“**Equity Shares**”), be determined at the time of public announcement for Buyback and the resultant Buyback equity shares be adjusted accordingly.

**RESOLVED FURTHER THAT** the Company shall implement the Buyback using the “Mechanism for acquisition of shares through Stock Exchange” and the Company shall approach the National Stock Exchange of India Limited and BSE Limited for facilitating the same.

**RESOLVED FURTHER THAT** the Buyback is subject to the condition of maintaining the minimum public shareholding as specified under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (“**Listing Regulations**”).

**RESOLVED FURTHER THAT** the Company shall earmark adequate resources of funds for the purpose of Buy-back and the amount required by the Company for the Buy-back is intended to be met out of the Company’s current balances of cash and cash equivalents (and not from any borrowed funds) and/ or internal accruals of the Company and on such terms and conditions as the Board may decide from time to time at its absolute discretion.

**RESOLVED FURTHER THAT** Mr. A Sivaram Nair, EVP, Company Secretary, General Counsel & Ethics Officer be and is hereby appointed as Compliance Officer for the purposes of the Buyback.

**RESOLVED FURTHER THAT** Mr. Nitin Rakesh, Chief Executive Officer, Mr. V Suryanarayanan, EVP & Chief Financial Officer and Mr. A Sivaram Nair, EVP, Company Secretary, General Counsel & Ethics Officer of the Company be and are hereby severally authorized to do the following in connection with implementation of the Buyback:

- (a) negotiate, finalize the terms of appointment and appoint other intermediaries including merchant banker, solicitors, chartered accountants, advertisement agencies, consultants, registrar, brokers, printers, escrow account agents etc. as may be required from time to time and also issues notice of termination or replacement of such intermediaries required for completion of the Buyback;
- (b) decide and settle the remuneration for all such intermediaries/ agencies/ persons, including the payment of commission, brokerage, fee, charges etc. and enter into agreements/ letters in respect thereof;
- (c) make applications, statements, requisitions, including representations whether in person or otherwise, seeking permission/ consents/ approval of the appropriate authorities from time to time;
- (d) sign, execute, endorse, certify, affirm or let in evidence such letters including engagement letters, deeds, consents, announcements, advertisements, certificates, offer documents, agreements and other documents as may be required from time to time;
- (e) further delegation of the above to such persons as may be deemed fit whether by means of power of attorney or otherwise;
- (f) do all such acts, deeds, matters and things, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient and to settle any question that may arise in this regard and incidental thereto.

## **B. DECLARATION OF SOLVENCY**

**RESOLVED FURTHER THAT** pursuant to Section 68(6) of the Act and Regulation 8(7) of the Buyback Regulations, the draft of the declaration of solvency prepared in the specified form as placed before the meeting be and is hereby approved and Mr. Davinder Singh Brar, Chairman and Mr. Nitin Rakesh, Chief Executive Officer be and are hereby authorized to sign the same, for and on behalf of the Board and file the same with Registrar of Companies and Securities and Exchange Board of India.

**RESOLVED FURTHER THAT** the Board confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion –

- i. that immediately following the date of the Board Meeting convened for approving the Buyback i.e. 31 January 2017 and the date on which the results of the Postal Ballot will be declared (which date is considered within 60 days from the date of the Board Meeting), there will be no grounds on which the Company can be found unable to pay its debts;
- ii. that as regards the Company's prospects for the year immediately following the date of Board Meeting i.e. 31 January 2017 and the date of declaration of the results of the Postal Ballot (which date is considered within 60 days from the date of the Board Meeting), having regard to Board's intentions with respect to the management of the Company's business during that year, and to the amount and character of the financial

resources, which will, in their view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of 1 year from that date; and

- iii. that in forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act.

**RESOLVED FURTHER THAT** the Board hereby confirms that there are no defaults subsisting in repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.

**RESOLVED FURTHER THAT** the Board hereby confirms that:

- a. the Company shall not issue any equity shares or specified securities including by way of bonus till the date of closure of the Buy-back;
- b. the Company shall not raise further capital for a period of 1 year from the closure of the Buy-back, except in discharge of subsisting obligations such as exercise of stock options and restricted stock units issued to its employees;
- c. the Company shall not Buyback the locked-in equity shares and non-transferable equity shares, if any, till the pendency of the lock-in or till the equity shares become transferable;
- d. the Company shall not Buyback its equity shares from any person through negotiated deal whether on or off the stock exchanges or through spot transactions or through any private arrangement in the implementation of the Buy-back;
- e. the Company shall not directly or indirectly purchase its own equity shares:
  - i) through any subsidiary company including its own subsidiary companies; or
  - ii) through any investment company or group of investment companies.
- f. That the aggregate amount of the Buyback i.e. Rs. 11,030 Million (Rupees Eleven Thousand and Thirty Million only) does not exceed 25% of the paid-up equity capital and free reserves, as per the audited financial statements of the Company for the nine month period ended 31 December 2016;
- g. the funds borrowed from banks and financial institutions will not be used for the Buyback;
- h. the Company shall not make any offer of Buyback within a period of 1 year reckoned from the date of closure of the Buyback;
- i. there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Act, as on date; and
- j. the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up equity share capital and free reserves after the Buyback.

### **C. CONSTITUTION OF BUY-BACK COMMITTEE**

**RESOLVED FURTHER THAT** a Committee be constituted ("**Buyback Committee**") comprising of Mr. Davinder Singh Brar, Chairman, Mr. Nitin Rakesh, Chief Executive Officer, Mr. Amit Dixit, Director and Mr. Amit Dalmia, Director. Further, the Buyback Committee is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper, as the Buyback Committee may consider to be in the best interests of the shareholders, including but not limited to.

- a) finalizing the terms of the Buyback like Buyback price, record date, entitlement ratio, the timeframe for completion of Buyback;
- b) preparation, signing, publishing and filing of the public announcement, the draft letter of offer/ letter of offer with the Securities and Exchange Board of India, the stock exchanges and other appropriate authorities;
- c) making all applications to the appropriate authorities for their requisite approvals including approvals as may be required from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder;
- d) dealing with stock exchanges (including their clearing corporations), where the equity shares of the Company are listed, and to sign, execute and deliver such documents as may be necessary or desirable in connection with implementing the Buyback using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI;
- e) enter into escrow arrangements as required in terms of the Buyback Regulations;
- f) opening, operation and closure of all necessary accounts including escrow account, special payment account, demat escrow account as required in terms of the Buyback Regulations;
- g) arranging for bank guarantees as may be necessary for the Buyback in accordance with the applicable law;
- h) obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law;
- i) extinguishment of dematerialized shares and physical destruction of share certificates in respect of the equity shares bought back by the Company and filing of certificates of extinguishment required to be filed in connection with the Buyback on behalf of the Company and/ or the Board, as required under applicable law;
- j) do all such acts, matters and things incidental and in connection with the Buyback and sign, execute and deliver such documents as may be necessary or desirable and execution of documents under the Common Seal of the Company as may be required;
- k) to settle and resolve any queries or difficulties raised by SEBI, stock exchanges, Registrar of Companies and any other authorities whatsoever in connection to any matter incidental to and ancillary to the Buy-back;

**RESOLVED FURTHER THAT** the quorum for any meeting of the Buyback Committee for implementing the Buyback will be presence of any 2 members of the Buyback Committee.

**RESOLVED FURTHER THAT** the Buyback Committee shall have the power and authority to delegate all or any of the authorities conferred upon it to any director/ officer(s) and/or

representatives of the Company, in order to give effect to the aforesaid resolutions and to revoke and substitute such delegation/ sub-delegation of authority from time to time.

**RESOLVED FURTHER THAT** Mr. A Sivaram Nair, EVP, Company Secretary, General Counsel & Ethics Officer will act as secretary to the Buyback Committee.

**RESOLVED FURTHER THAT** Mr. Nitin Rakesh, Chief Executive Officer and Mr. A Sivaram Nair, EVP, Company Secretary, General Counsel & Ethics Officer be and are hereby severally authorized to make all necessary regulatory filings, including filing necessary e-form with the Registrar of Companies, Karnataka and to do all such acts, deeds and things as may be necessary to give effect to the above resolution.”

## 5. DETAILS OF THE PUBLIC ANNOUNCEMENT

As per Regulation 8(1) of the Buyback Regulations, the Company has made a Public Announcement dated March 14, 2017 in relation to the Buyback which was published on March 15, 2017 in the following newspapers:

Name of the Newspaper	Language	Editions
Business Standard	English	All
Business Standard	Hindi	All
Hosa Digantha	Kannada	Bengaluru

The Public Announcement was issued within two (2) working days from the date of passing the special resolution by the shareholders of the Company approving Buyback through postal ballot, the result of which were declared on March 13, 2017.

The Company will publish further notices or corrigenda, if any, in the aforementioned newspapers.

The Public Announcement is available on SEBI's website at [www.sebi.gov.in](http://www.sebi.gov.in)

## 6. DETAILS OF THE BUYBACK

- I. The Board of Directors of the Company, at their meeting held on January 31, 2017, pursuant to the provisions of Article 54A of Articles of Association of the Company and applicable provisions of the Companies Act and in compliance with the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board, approved the Buyback by the Company of up to 17,370,078 (Seventeen Million Three Hundred Seventy Thousand and Seventy Eight) Equity Shares representing 8.26% of total paid-up equity share capital of the Company) at a price of not exceeding Rs. 635/- (Rupees Six Hundred and Thirty Five only) per Equity Share payable in cash for an aggregate amount of up to Rs. 11,030 million (Rupees Eleven Thousand and Thirty Million only), excluding any expenses incurred or to be incurred for the Buyback viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp



duty, advisors fees, printing and dispatch expenses and other incidental and related expenses (the “**Transaction Costs**”), which does not exceed 25% of the total paid-up equity share capital and free reserves as per the audited financial statements of the Company for the nine months period ended December 31, 2016, through the Tender Offer as prescribed under the Buyback Regulations on a proportionate basis, from the Equity Shareholders of the Company as of the Record Date. The Company had sought approval of the Equity Shareholders by a special resolution, through postal ballot notice dated January 31, 2017, the results of which were announced on March 13, 2017. The Equity Shareholders of the Company authorized the Board to determine the total amount to be deployed in the Buyback, final Buyback Price, number of Equity Shares to be bought back within the aforesaid limits. Subsequently, the Buyback Committee vide its resolution dated March 14, 2017 determined the final Buyback Price of Rs. 635/- (Rupees Six Hundred and Thirty Five only) per Equity Share (the “**Buyback Price**”) and the total amount for Buyback i.e., Rs. 11,029,999,530/- (Rupees Eleven Billion Twenty Nine Million Nine Hundred Ninety Nine Thousand Five Hundred and Thirty only) (“**Buyback Size**”), excluding the Transaction Costs.

- II. The Buyback is in accordance with Article 54A of the Articles of Association of the Company, Sections 68, 69 and 70 and all other applicable provisions of the Companies Act, the Companies (Share Capital and Debenture) Rules, 2014, the Companies (Management and Administration) Rule, 2014 and the Buyback Regulations.
- III. The Buyback is subject to receipt of any approvals, permissions and sanctions of statutory, regulatory or governmental authorities as may be required under applicable laws, including SEBI and the Stock Exchanges. The Buyback was also subject to the grant of certain exemptions and no action relief by the staff of the U.S. Securities and Exchange Commission prior to the commencement of the tendering period in order to allow the Buyback Offer to be made to U.S. Eligible Sellers without breaching the rules under the U.S. Securities Exchange Act of 1934, as amended. The staff of the U.S. Securities and Exchange Commission has granted certain exemptive and no action relief in relation to the Buyback through its letter dated April 7, 2017, subject to satisfaction of certain conditions specified therein.
- IV. The Buyback shall be undertaken on a proportionate basis from Eligible Sellers through Tender Offer as prescribed under Regulation 4(1)(a) of the Buyback Regulations. Additionally, the Buyback shall be, subject to applicable laws, facilitated by tendering of Equity Shares by Eligible Sellers and settlement of the same through the stock exchange mechanism as specified by SEBI Circulars. In this regard, the Company will request the Stock Exchanges to provide the acquisition window. For the purposes of the Buyback, BSE would be the Designated Stock Exchange.
- V. The aggregate total paid-up equity share capital and free reserves (including securities premium account) of the Company as at December 31, 2016 was Rs. 44,133.38 million (Rupees Forty Four Thousand One Hundred Thirty Three point Three Eight Million only). Under Section 68(2)(c) of the Companies Act, the funds deployed for the Buyback shall not exceed 25% of the total paid-up equity share capital and free reserves (including securities premium account) of the Company under shareholder approval route. Accordingly, the Company has proposed to utilise the maximum amount not exceeding Rs. 11,030 million (Rupees Eleven Thousand and Thirty Million only), excluding the Transaction Costs for the Buyback, which is within the aforesaid maximum limit of 25% of the total paid-up equity capital and free

reserves (including securities premium account) of the Company as per audited standalone financial statements of the Company for the nine month period ended December 31, 2016.

- VI. The funds for the implementation of the Buyback will be financed out of internal accruals of the Company. Upon completion of the Buyback, the Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the capital redemption reserve account and the details of such transfer shall be disclosed in its subsequent audited financial statements.
- VII. In terms of the Buyback Regulations, under Tender Offer, the promoter has the option to participate in the Buyback. In this regard, Marble II Pte Ltd, Promoter and Person in Control of the Company, has expressed its intention vide its letter dated January 31, 2017 to participate in the Buyback to the extent of its entitlement in the Company as on Record Date and such higher number of Equity Shares as may be permitted by law and terms of the Buyback, up to an aggregate maximum of 127,108,444 (One Hundred Twenty Seven Million One Hundred Eight Thousand and Four Hundred Forty Four) Equity Shares. The Promoter of the Company is already in control over the Company and therefore change in voting rights, if any, of the Promoter, due to the Buyback, will not result in change in control over the Company.
- VIII. The aggregate shareholding of the Promoter/ Person in Control in the Company as on the date of postal ballot notice dated January 31, 2017 ("**Notice**") is given below:

- i. *Shareholding of the companies/ entities forming part of the promoter and person in control of the Company:*

Sr. No.	Name of Shareholder	Number of Equity Shares	% of Equity Share capital of the Company
1	Marble II Pte Ltd	12,71,08,444	60.41

For details with respect to Promoter's shareholding post Buyback please refer paragraph 15(IX) on page 27 of this Letter of Offer. Post Buyback non-Promoter and Promoter Group shareholding of the Company shall not fall below the minimum level required as per the Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

- IX. Details of the date and price of acquisition of the Equity Shares that the Promoter intends to tender are set-out below:

Sr. No.	Date of Acquisition	No. of Equity Shares	Cost of Acquisition per Equity Share (Rs.)	Cost of Acquisition (Rs. in Lakhs)	Nature of Transaction
1	August 24, 2016	2,178	457.54	9.97	Acquisition of Equity shares from the public shareholders under the open offer.

Sr. No.	Date of Acquisition	No. of Equity Shares	Cost of Acquisition per Equity Share (Rs.)	Cost of Acquisition (Rs. in Lakhs)	Nature of Transaction
2	September 01, 2016	127,106,266	430.00	546,556.94	Acquisition of Equity Shares from the erstwhile promoters of the Company namely EDS Asia Pacific Holdings (83,002,201 Equity Shares), EDS World Corporation (Far East) LLC (44,104,064 Equity Shares) and EDS World Corporation (Netherlands) LLC (1 Equity Share).
	<b>Total</b>	<b>127,108,444</b>		<b>546,566.91</b>	

## 7. AUTHORITY FOR THE BUY BACK

The Buyback is being undertaken by the Company in accordance with Article 54A of the Articles of Association of the Company, the provisions of Sections 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, the Rules thereunder and the Buyback Regulations. The Buyback is subject to such other approvals and permissions, as may be required from statutory, regulatory or governmental authorities under the applicable law, which may be agreed to by the Board and/ or any Committee thereof.

The Board of Directors at their meeting held on January 31, 2017 passed a resolution approving Buyback of Equity Shares of the Company and sought approval of Equity Shareholders, by a special resolution, through postal ballot notice dated January 31, 2017, the results of the postal ballot were announced on March 13, 2017. The Shareholders of the Company have approved the Buyback by way of a special resolution, through the postal ballot as aforesaid with 99.99% votes being in favour.

## 8. NECESSITY OF THE BUY BACK

- I. The Buyback is being undertaken by the Company to effectively utilize surplus cash by rewarding the equity shareholders. The Buyback of Equity Shares will result in reduction of the paid up equity share capital which may be accompanied by likely increase in Earnings Per Share (“EPS”) and Return on Capital Employed. The Company believes that the Buyback may create long term value for the equity shareholders. The Buyback through Tender Offer as specified under the Buyback Regulations gives an option to existing equity shareholders to either receive the surplus cash by participating in the Buyback or remain invested and enjoy percentage increase in the shareholding in the post Buyback capital without any additional investments.
- II. The Buyback through Tender Offer, *inter-alia*, offers the following advantages:–
  - i. The Buyback helps the Company to distribute surplus cash to its shareholders in proportion to their shareholding;

- ii. The Buyback involves allocation of 15% reservation to Small Shareholders subject to their entitlement. The Company believes that this reservation for Small Shareholders would benefit a large number of public shareholders, who would get classified as “Small Shareholders”;
- iii. The Buyback may help in improving return on equity and other financial ratios, by a reduction in the equity base, thereby leading to long term increase in shareholders’ value;
- iv. The Buyback gives an option to the existing shareholders to either participate in the Buyback and receive cash in lieu of equity shares accepted under the Buyback or not participate in the Buyback and enjoy a resultant increase in their percentage shareholding in the Company post the Buyback; and
- v. The Buyback offer price of Rs. 635 per equity share has been arrived at after considering various factors including the volume weighted average market price of the equity shares and net worth of the Company.

## **9. MAXIMUM NUMBER OF SECURITIES THAT THE COMPANY PROPOSES TO BUYBACK**

The Company proposes to Buyback up to 17,370,078 (Seventeen Million Three Hundred Seventy Thousand and Seventy Eight) Equity Shares of face value of Rs. 10/- (Rupees Ten only) each of the Company.

## **10. BUYBACK PRICE AND BASIS OF DETERMINING THE PRICE OF THE BUYBACK**

- I. The Equity Shares of the Company are proposed to be bought back at a price of Rs. 635/- (Rupees Six Hundred and Thirty Five only) per Equity Share
- II. The Buyback Price has been arrived at after considering various factors including the volume weighted average market price of the Equity Shares on BSE and NSE where the Equity Shares are listed and the net worth of the Company.
- III. The Buyback Price represents :
  - i. Premium of 22.48% on BSE and 21.17% on NSE over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, for the three (3) months preceding the date of intimation to the Stock Exchanges of the Board Meeting to consider the proposal of the Buyback;
  - ii. Premium of 20.18% on BSE and 20.91% on NSE over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, for the two (2) weeks preceding the date of intimation to the Stock Exchanges of the Board Meeting to consider the proposal of the Buyback; and
  - iii. Premium of 18.79% on BSE and 17.95% on NSE over the closing market price of the Equity Shares on BSE and NSE, respectively, as on the date of intimation of the Board Meeting for considering the Buyback.

- IV. The closing market price of the Equity Shares as on the date of intimation to the BSE and the NSE for the Board Meeting for considering the Buyback was Rs. 534.55 and Rs. 538.35 on the BSE and the NSE respectively.
- V. The Buyback Price is higher by 197.84% and 194.80% over the book value per Equity Share as on December 31, 2016 and March 31, 2016, respectively, of the Company on a standalone basis, which was Rs. 213.2 and Rs. 215.4 per Equity Share, respectively.
- VI. The basic EPS of the Company prior to the Buyback, both as on December 31, 2016 and March 31, 2016 was Rs. 21.8 per Equity Share on a standalone basis. Assuming full acceptance under the Buyback, the EPS of the Company will be Rs. 23.8 per Equity Share post the Buyback, on a standalone basis.
- VII. The return on net worth of the Company on a standalone basis was 10.2% and 10.1% as on December 31, 2016 and March 31, 2016 respectively which will increase to 13.6% and 13.4% respectively post Buyback assuming full acceptance of the Buyback.

## **11. MANAGEMENT DISCUSSION AND ANALYSIS AND THE LIKELY IMPACT OF BUY BACK ON THE COMPANY**

- I. The Buyback is not likely to cause any material impact on the profitability/ earnings of the Company except to the extent of reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. Assuming that the response to the Buyback is to the extent of 100% (full acceptance) from all the Eligible Sellers up to their Buyback Entitlement, the funds deployed by the Company towards the Buyback would be Rs. 11,029,999,530/- (Rupees Eleven Billion Twenty Nine Million Nine Hundred Ninety Nine Thousand Five Hundred Thirty Only) excluding the Transaction Costs. This shall impact the investment income earned by the Company, on account of reduced funds available for investments.
- II. The Buyback is expected to result in overall enhancement of value for Equity Shareholders and is not expected to impact, in any manner, either the growth opportunities of the Company or its cash requirements for business operations.
- III. In terms of the Buyback Regulations, under Tender Offer, the promoter and promoter group have the option to participate in the Buyback. Marble II Pte Ltd, the Promoter and Person in Control of the Company, has expressed its intention vide its letter dated January 31, 2017 to participate in the Buyback to the extent of its entitlement in the Company as on Record Date and such higher number of Equity Shares as may be permitted by law and terms of the Buyback, up to an aggregate maximum of 127,108,444 (One Hundred Twenty Seven Million One Hundred Eight Thousand and Four Hundred Forty Four) Equity Shares.

**Details of the date and price of acquisition of the Equity Shares that the Promoter intends to tender are set-out below:**

Sr. No.	Date of Acquisition	No. of Equity Shares	Cost of Acquisition per Equity Share (Rs.)	Cost of Acquisition (Rs. in Lakhs)	Nature of Transaction
1	August 24, 2016	2,178	457.54	9.97	Acquisition from the public shareholders under the open offer.
2	September 01, 2016	127,106,266	430.00	546,556.94	Acquisition of Equity Shares from the erstwhile promoters of the Company namely EDS Asia Pacific Holdings (83,002,201 Equity Shares), EDS World Corporation (Far East) LLC (44,104,064 Equity Shares) and EDS World Corporation (Netherlands) LLC (1 Equity Share).
	<b>Total</b>	<b>127,108,444</b>		<b>546,566.91</b>	

- IV. Consequent to the Buyback and based on the number of shares bought back within each category of shareholders, the shareholding pattern of the Company would undergo a change. Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Eligible Sellers upto their Buyback Entitlement, the aggregate shareholding of the Promoter may increase to 61.15% from 60.41% post the Buyback.
- V. Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Equity Shareholders up to their Buyback Entitlement, the aggregate shareholding of the public in the Company post Buyback may decrease to 38.85% from 39.59% prior to the Buyback.
- VI. The Promoter of the Company is already in control over the Company and therefore change in voting rights, if any, of the Promoter, due to the Buyback, will not result in change in control over the Company or otherwise affect the existing management structure of the Company.
- VII. Consequent to the Buyback and based on the number of Equity Shares bought back from the Non-Resident Shareholders, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, the shareholding of each such person shall undergo a change.
- VIII. The post Buyback, the debt-equity ratio of the Company will be less than 2:1, as prescribed by Section 68(2)(d) of the Companies Act, 2013, even if the response to the Buyback is to extent of 100% (full acceptance) from the Eligible Sellers upto their Buyback Entitlement on a proportionate basis.
- IX. The Promoter and Promoter Group of the Company shall not deal in the Equity Shares of the Company on Stock Exchanges or off market, including by way of inter-se transfer(s) of Equity Shares among the Promoter and Promoter Group during the

period from the date of passing the board resolution i.e. January 31, 2017 till the closing of the Offer, i.e. May 25, 2017.

- X. The Company shall not raise further capital for a period of one (1) year from the closure of the Buyback except in discharge of its subsisting obligations.
- XI. The Company has not issued any Equity Shares from the date of receipt of approval of the shareholders for the Buyback and shall not issue and/ or allot any Equity Shares including by way of bonus or conversion of stock options and restricted stock units till the date of closure of the Buyback, i.e. May 25, 2017.
- XII. Salient financial parameters consequent to the Buyback based on audited financial statements of the Company as at and for the nine months ended December 31, 2016 are as under:

Parameter (based on audited financial statements for nine months ended December 31, 2016)	Standalone		Consolidated	
	Pre Buyback	Post Buyback	Pre Buyback	Post Buyback
Net worth* (Rs. Lakhs)	448,605.3	338,305.3 <sup>(1)</sup>	644,404.5	534,104.5 <sup>(1)</sup>
Return on Net worth*(%)( <sup>2</sup> )	10.2%	13.6%	9.6%	11.6%
Earnings per Share (Rs.) <sup>(3)(6)</sup>	21.8	23.8	29.5	32.2
Book Value per Share* (Rs.) <sup>(4)(6)</sup>	213.2	175.3	306.3	276.7
P/E as per latest audited financial results <sup>(7)(8)</sup>	26.5	24.3	19.6	17.9
Total Debt**/ Equity Ratio* <sup>(5)</sup>	-	-	-	-

\*Net worth excludes revaluation reserves and miscellaneous expenditure to the extent not written off

\*\*Total debt (excluding working capital loans classified as current liabilities)

Note:

(1) Net worth post buy back = Net worth pre buy back minus funds to be utilised for the buy back.

(2) Return on Net worth = Profit after tax/ Net worth.

(3) Earnings per share for the nine months ended December 31, 2016 has not been annualised and has been computed as Profit/(loss) after tax/Number of weighted average shares.

(4) Book value per Share = Net worth/ Number of shares outstanding.

(5) Total Debt/ Net worth = Total debt/ Net worth (Total debt excluding working capital loans classified as current liabilities).

(6) Basic Earnings per Share and Book Value per Share post buy back has been computed after reducing proposed equity shares to be bought back from weighted average outstanding shares for the nine months ended December 31, 2016.

(7) P/E = Market Price per Equity Share on National Stock Exchange of India Limited ("NSE") as on March 14, 2017/ Earnings per share ("EPS") for the nine months period ended December 31, 2016. EPS for the nine months period ended December 31, 2016 has not been annualised for the year.

(8) Market Price has been taken as Rs. 577.75, the closing price as of March 14, 2017 on NSE.

- XIII. Salient financial parameters consequent to the Buyback based on audited financial statements of the Company as at and for the financial year ended March 31, 2016 are as under:

Parameter (based on audited financial statements for the financial year ended March 31, 2016)	Standalone		Consolidated	
	Pre Buyback	Post Buyback	Pre Buyback	Post Buyback
Net worth* (Rs. Lakhs)	452,748.3	342,448.3 <sup>(1)</sup>	629,305.1	519,005.1 <sup>(1)</sup>
Return on Net worth*(%)( <sup>2</sup> )	10.1%	13.4%	10.6%	12.9%
Earnings per Share (Rs.) <sup>(3)(6)</sup>	21.8	23.8	31.9	34.7

Parameter (based on audited financial statements for the financial year ended March 31, 2016)	Standalone		Consolidated	
	Pre Buyback	Post Buyback	Pre Buyback	Post Buyback
Book Value per Share* (Rs.) <sup>(4)(6)</sup>	215.4	177.6	299.4	269.2
P/E as per latest audited financial results <sup>(7)(8)</sup>	26.5	24.3	18.1	16.6
Total Debt**/ Equity Ratio <sup>(5)</sup>	-	-	0.03	0.03

\*Net worth excludes revaluation reserves and miscellaneous expenditure to the extent not written off

\*\*Total debt (excluding working capital loans classified as current liabilities)

Note:

(1) Net worth post buy back = Net worth pre buy back minus funds to be utilised for the buy back.

(2) Return on Net worth = Profit after tax/ Net worth.

(3) Earnings per share has been computed as Profit/(loss) after tax/Number of weighted average shares.

(4) Book value per Share = Net worth/ Number of shares outstanding.

(5) Total Debt/ Net worth = Total debt/ Net worth (Total debt excluding working capital loans classified as current liabilities).

(6) Basic Earnings per Share and Book Value per Share post buy back has been computed after reducing proposed equity shares to be bought back from weighted average outstanding shares for the year ended March 31, 2016.

(7) P/E = Market Price per Equity Share on NSE as on March 14, 2017/ EPS for year ended March 31, 2016.

(8) Market Price has been taken as Rs. 577.75, the closing price as of March 14, 2017 on NSE.

## 12. SOURCES OF FUNDS FOR THE BUY BACK

- I. Assuming full acceptance, the funds that would be utilized by the Company for the purpose of the Buyback would be Rs. 11,029,999,530/- (Rupees Eleven Billion Twenty Nine Million Nine Hundred Ninety Nine Thousand Five Hundred Thirty Only) excluding the Transaction Costs.
- II. The funds for the implementation of the Buyback will be financed out of internal accruals of the Company. The Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the capital redemption reserve account and the details of such transfer shall be disclosed in its subsequent audited financial statements.
- III. The funds borrowed, if any, from banks and financial institutions will not be used for the Buyback.
- IV. The ratio of the aggregate of secured and unsecured debts owed by the Company will be not more than twice the paid-up capital and free reserves after the Buyback.

## 13. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN

- I. In accordance with the Regulation 10 of the Buyback Regulations, the Company has appointed ICICI Bank Limited, a banking company incorporated under the Companies Act, 1956 and registered as a banking company within the meaning of the Banking Regulation Act, 1949, and having its registered office at ICICI Bank Tower, Near Chakli Circle, Old Padra Road, Vadodara, 390 007, Gujarat acting through its branch situated at Capital Markets Division, 1st floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai – 400 020 as the Escrow Agent for the aforementioned Buyback. The Company, the Manager to the Buyback and the Escrow Agent have entered into an Escrow Agreement dated March 18, 2017 pursuant to which the Escrow Account in the name and style “MPHASIS LTD-BUY-BACK -



ESCROW ACCOUNT” bearing account number 000405114330 has been opened with the Escrow Agent.

- II. In accordance with Regulation 10 of the Buyback Regulations, the Company undertakes to issue a bank guarantee (to be issued by Kotak Mahindra Bank Limited) for an amount of Rs. 125,30,00,000 (Rupees One Hundred Twenty Five Crores Thirty Lacs only) (“**Bank Guarantee**”) being equivalent to 25% upto Rs. 100 crores and 10% thereafter of the total consideration payable by the Company under the Buyback Offer, assuming full acceptance, in favour of the Manager to the Offer before opening of the Buyback Offer. Further, the Company undertakes to deposit cash of Rs. 11,03,00,000 (Rupees Eleven Crores Three Lacs only) in the Escrow Account, constituting 1% of the total consideration payable by the Company under the Buyback Offer, assuming full acceptance, in compliance with the provisions of Regulation 10(8) of the Buyback Regulations.
- III. The Manager to the Offer has been empowered to operate the Escrow Account in accordance with the Buyback Regulations.
- IV. The Bank Guarantee shall be valid for atleast thirty (30) days from the date of closing of Buyback.
- V. ICICI Bank Limited is not an associate or part of the group of the Company.

#### 14. FIRM FINANCING ARRANGEMENTS

- I. The Company has adequate and firm financial resources to fulfil the obligations under the Buyback and the same has been certified by Gnaneshwar & Co., Chartered Accountants, Proprietor: Gnaneshwar MB (Membership No.: 207475; Firm Registration No.: 008544S), vide a certificate dated April 22, 2017.
- II. Based on the aforementioned certificate, the Manager to the Buyback has satisfied itself that firm arrangements for fulfilling the obligations under the Buyback are in place and that the Company has the ability to implement the Buyback in accordance with the Buyback Regulations.

#### 15. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- I. The capital structure of the Company as on the date of the Public Announcement, i.e. March 14, 2017 is as follows :

<b>(Rs. In Lakhs)</b>		
Sr. No.	Particulars	Pre Buyback
<b>1</b>	<b>Authorized Share Capital:</b>	
	245,000,000 Equity Shares of Rs. 10 each	24,500
	<b>Total</b>	<b>24,500</b>
<b>2</b>	<b>Issued Capital <sup>(2)</sup>:</b>	

Sr. No.	Particulars	Pre Buyback
	210,438,080 Equity Shares of Rs. 10 each <sup>(1)</sup>	21,043.81
<b>3</b>	<b>Subscribed and Paid-up Capital<sup>(2)</sup></b>	
	210,417,080 Equity shares of Rs. 10 each fully paid-up <sup>(1)</sup>	21,041.71
	Add: Amount originally paid-up on forfeited shares	0.71
	<b>Total</b>	<b>21,042.42</b>

**Note:**

1. The difference between the issued and paid up capital is on account of 21,000 bonus shares kept in abeyance
2. Includes 6,456 Shares allotted on March 8, 2017 and 6,047 Shares allotted on March 10, 2017 which were subsequently listed on NSE and BSE w.e.f. March 15, 2017 and March 17, 2017 respectively.

II. Subsequent to the nine month period ended December 31, 2016, and until the receipt of approval of the shareholders for the Buyback, the Company has allotted 960 (Nine Hundred Sixty) Equity Shares on account of exercise of stock options by the option holders under Employee Stock Option Plan 1998 – Version II and 31,715 (Thirty One Thousand Seven Hundred Fifteen) Equity Shares on account of exercise of stock units under Restricted Stock Units Plan 2014, thus aggregating to allotment of 32,675 (Thirty Two Thousand Six Hundred Seventy Five) Equity Shares.

III. The Company has not issued any Equity Shares from the date of receipt of approval of the shareholders for the Buyback and shall not issue and/ or allot any Equity Shares including by way of bonus till the date of closure of the Buyback Offer.

IV. Assuming full acceptance in the Buyback, the capital structure of the Company post Buyback would be as follows :

**(Rs. In Lakhs)**

Sr. No.	Particulars	Post Buyback
<b>1</b>	<b>Authorized Share Capital:</b>	
	245,000,000 Equity Shares of Rs. 10 each	24,500
	<b>Total</b>	<b>24,500</b>
<b>2</b>	<b>Issued Capital<sup>(2)</sup>:</b>	
	193,068,002 equity shares of Rs. 10 each <sup>(1)</sup>	19,306.80
	<b>Subscribed and Paid-up Capital<sup>(2)</sup></b>	
	193,047,002 equity shares of Rs. 10 each fully paid-up <sup>(1)</sup>	19,304.70
	Add: Amount originally paid-up on forfeited shares	0.71
	<b>Total</b>	<b>19,305.41</b>

**Note:**

1. The difference between the issued and paid up capital is on account of 21,000 bonus shares kept in abeyance
2. Includes 6,456 Shares allotted on March 8, 2017 and 6,047 Shares allotted on March 10, 2017 which were subsequently listed on NSE and BSE w.e.f. March 15, 2017 and March 17, 2017 respectively.

V. The Company did not implement any Buyback programme in the last three (3) years.

VI. There are no partly paid up equity shares

VII. As on the date of the Public Announcement, there are no outstanding instruments convertible into Equity Shares except 4,224,959 (Four Million Two Hundred Twenty Four Thousand Nine Hundred Fifty Nine) outstanding instruments, being employee stock options and restricted stock units, convertible into Equity Shares.

VIII. There is no amount under calls in arrears

IX. The shareholding pattern of the Company pre Buyback, taken as on March 31, 2017 (the Record Date), as well as post Buyback shareholding, is shown below:

Category of Shareholder	Pre Buyback		Post Buyback <sup>(1)</sup>	
	Number of Shares	% to the existing Equity Share capital	Number of Shares	% to post Buyback Equity Share capital
Promoter and Promoter Group	127,108,444	60.41	118,038,621	61.15
Foreign Investors (Including Non-Resident Indians, FII, FPIs, Foreign Nationals, and Overseas Corporate Bodies)	44,660,278	21.22	75,008,381	38.85
Financial Institutions/Banks, NBFCs & Mutual Funds	20,727,887	9.85		
Others (Public, Bodies Corporate, Clearing Members, Trusts and HUF)	17,920,471	8.52		
<b>Total</b>	<b>210,417,080</b>	<b>100.00</b>	<b>193,047,002</b>	<b>100.00</b>

1. Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Equity Shareholders of the Equity Shares up to their Buyback Entitlement.

X. There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Companies Act.

XI. No Equity Share of the Company have been purchased/ sold by the Promoter of the Company during six (6) months preceding the date of the Board Meeting/ Notice, except as follows:

Name	Aggregate no. of shares purchased or (sold)	Nature of transaction	Maximum price (Rs.)	Date of maximum price	Minimum price (Rs.)	Date of minimum price
EDS Asia Pacific Holdings*	(83,002,201)	Sold to Marble II Pte Ltd	430.00	September 1, 2016	430.00	September 1, 2016
EDS World Corporation (Far East) LLC*	(44,104,064)	Sold to Marble II Pte Ltd	430.00	September 1, 2016	430.00	September 1, 2016
EDS World Corporation (Netherlands) LLC*	(1)	Sold to Marble II Pte Ltd	430.00	September 1, 2016	430.00	September 1, 2016

Name	Aggregate no. of shares purchased or (sold)	Nature of transaction	Maximum price (Rs.)	Date of maximum price	Minimum price (Rs.)	Date of minimum price
Marble II Pte Ltd	2,178	Acquisition from public shareholders under the open offer	457.54	August 24, 2016	457.54	August 24, 2016
Marble II Pte Ltd	127,106,266	Acquisition of Equity Shares from the erstwhile promoters of the Company namely EDS Asia Pacific Holdings (83,002,201 Equity Shares), EDS World Corporation (Far East) LLC (44,104,064 Equity Shares) and EDS World Corporation (Netherlands) LLC (1 Equity Share)	430.00	September 1, 2016	430.00	September 1, 2016

\* represents erstwhile promoters of the Company

XII. No Equity Shares of the Company have been purchased/ sold by the Promoter of the Company during twelve (12) months preceding the date of the Public Announcement i.e. March 14, 2017, except the following:

Name	Aggregate no. of shares purchased or (sold)	Nature of transaction	Maximum price (Rs.)	Date of maximum price	Minimum price (Rs.)	Date of minimum price
EDS Asia Pacific Holdings*	(83,002,201)	Sold to Marble II Pte Ltd	430.00	September 1, 2016	430.00	September 1, 2016
EDS World Corporation (Far East) LLC*	(44,104,064)	Sold to Marble II Pte Ltd	430.00	September 1, 2016	430.00	September 1, 2016
EDS World Corporation (Netherlands) LLC*	(1)	Sold to Marble II Pte Ltd	430.00	September 1, 2016	430.00	September 1, 2016
Marble II Pte Ltd	2,178	Acquisition from public shareholders under the open offer	457.54	August 24, 2016	457.54	August 24, 2016
Marble II Pte Ltd	127,106,266	Acquisition of Equity Shares from the erstwhile promoters of the Company namely EDS Asia Pacific Holdings (83,002,201 Equity Shares), EDS World Corporation (Far East) LLC (44,104,064 Equity Shares) and EDS World Corporation (Netherlands) LLC (1 Equity Share)	430.00	September 1, 2016	430.00	September 1, 2016

\* represents erstwhile promoters of the Company

XIII. The directors of the Marble II Pte Ltd, which is the Promoter and Person in Control of the Company, have not purchased or sold equity shares of the Company for a period of six (6) months preceding the date of the Board Meeting/ Notice.

XIV. The directors of the Marble II Pte Ltd, which is the Promoter and Person in Control of the Company, have not purchased or sold equity shares of the Company for a period of twelve (12) months preceding the date of the Public Announcement.

## 16. BRIEF INFORMATION OF THE COMPANY

### I. History of the Company

Mphasis Limited was incorporated on August 10, 1992 (presently registered with the Registrar of Companies, Karnataka) as a public limited company under the name and style 'BFL Software Limited'. The name of the Company was changed to Mphasis BFL Limited" on July 25, 2000 and eventually, the name of the Company was changed to Mphasis Limited on November 24, 2006. The registered office of the Company is situated at Bagmane World Technology Center, Marathalli Outer Ring Road, Doddanakundhi Village, Mahadevapura, Bengaluru, 560048, India. The Corporate Identity Number of the Company is L30007KA1992PLC025294.

Mphasis Limited is a leading IT solutions provider, offering Applications, Business Process Outsourcing (BPO) and Infrastructure services globally through a combination of technology knowhow, domain and process expertise.

The Equity Shares of the Company are listed on the BSE (Scrip Code: 526299) and the NSE (Symbol: MPHASIS), and are permitted to trade on MSEI (Symbol: MPHASIS), under the ISIN: INE356A01018, and are not currently suspended from trading on any of the Stock Exchanges. The Equity Shares are frequently traded in terms of Regulation 2(1)(j) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

In June 2006, Electronics Data Systems Corporation (EDS) acquired a majority holding in the equity capital of the Company and the Company was a subsidiary of EDS. In August 2008, EDS was acquired by the Hewlett-Packard Company. Consequently, the Company became a subsidiary of Hewlett-Packard (HP). As a result of the completion of the sale and purchase of shares pursuant to the Share Purchase Agreement executed on April 4, 2016 for sale of shares in the Company by EDS Asia Pacific Holdings, EDS World Corporation (Far East) LLC and EDS World Corporation (Netherlands) LLC ("**Erstwhile Promoters**") to Marble II Pte. Ltd. and consequent to the change in the control, Marble II Pte. Ltd acquired the entire stake from the Erstwhile Promoters on September 1, 2016.

### II. Growth of Business

For the nine month period ended December 31, 2016 and for the financial years ended March 31, 2016, March 31, 2015 and five (5) month financial period ended March 31, 2014, the Company recorded total income of Rs. 4,76,054 lakhs, Rs. 6,28,393 lakhs, Rs. 5,99,155 lakhs and Rs. 2,64,603 lakhs respectively, and profit after tax of Rs. 61,942 lakhs, 66,938 lakhs, Rs. 67,464 lakhs, and Rs. 30,268 lakhs respectively, on a consolidated

basis. On standalone basis, for the nine (9) month period ended December 31, 2016 and for the financial years ended March 31, 2016, March 31, 2015 and five (5) month financial period ended March 31, 2014, the Company recorded total income Rs. 2,40,787 lakhs, Rs. 3,08,901 lakhs, Rs. 3,18,859 lakhs and Rs. 1,37,518 lakhs respectively, and profit after tax of Rs. 45,857 lakhs, Rs. 45,837 lakhs, Rs. 55,303 lakhs and Rs. 22,308 lakhs respectively.

III. The details of changes in the share capital of the Company since incorporation as certified by the Company is as follows:

Date of Allotment	Number of Equity Shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Rs.)	Nature of consideration	Cumulative Number of Equity Shares	Cumulative Equity Share Capital	Type of Issue
August 10, 1992	700	10	10	7,000	Other than cash	700	7,000	Subscribers to Memorandum
September 18, 1993	4,500,000	10	10	45,000,000	Cash	4,500,700	45,007,000	Public Issue
September 18, 1993	1,499,300	10	10	14,993,000	Cash	6,000,000	60,000,000	Preferential Allotment to Bangur Group
September 5, 1996	(16,600)	(10)	NA	NA	NA	5,983,400	59,834,000	Forfeiture of shares
November 16, 1998	500	10	NA	NA	Other than cash	5,983,900	59,839,000	Annulment of forfeited shares
June 23, 1998	3,333,333	10	75	249,999,975	Cash	9,317,233	93,172,330	Preferential Allotment to Baring India Investment Limited
November 9, 1999 to December 10, 1999	24,600	10	275	6,765,000	Cash	9,341,833	93,418,330	ESOP
June 15, 2000	6,500,000	10	1,127	7,325,500,000	Other than cash (Refer Note 2)	15,841,833	158,418,330	Preferential Allotment to Mphasis Holdings Limited
June 20, 2000	1,900	10	NA	NA	Other than cash	15,843,733	158,437,330	Annulment of forfeited shares
April 1, 2000 to September 5, 2000	9,500	10	275	2,612,500	Cash	15,853,233	158,532,330	ESOP
July 14, 2001	1,285,715	10	350	450,000,250	Cash	17,138,948	171,389,480	Preferential Allotment to Winterfall Limited
April 1, 2001 to March 31, 2002	4,000	10	275	1,100,000	Cash	17,142,948	171,429,480	ESOP
April 1, 2002 to March 31, 2003	164,968	10	317	52,358,546	Cash	17,307,916	173,079,160	ESOP
April 1, 2003 to March 31, 2004	824,014	10	248	204,475,420	Cash	18,131,930	181,319,300	ESOP
July 9, 2003	17,309,638	10	NA	NA	Other than cash (Refer Note 3)	35,441,568	354,415,680	Bonus
October 9, 2003	1,500	10	NA	NA	Other than cash	35,443,068	354,430,680	Release of Bonus Abeyance Shares
February 26, 2004	2,800	10	NA	NA	Other than cash	35,445,868	354,458,680	Release of Bonus Abeyance Shares

Date of Allotment	Number of Equity Shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Rs.)	Nature of consideration	Cumulative Number of Equity Shares	Cumulative Equity Share Capital	Type of Issue
April 1, 2004 to March 31, 2005	1,622,800	10	93	151,377,330	Cash	37,068,668	370,686,680	ESOP
June 3, 2004	35,544,081	10	NA	NA	Other than cash (Refer Note 4)	72,612,749	726,127,490	Bonus
July 6, 2004	2,338,778	10	610.30	1,427,356,213	Other than cash (Refer Note 5)	74,951,527	749,515,270	Preferential Allotment to Kshema Technologies Limited
September 16, 2004	3,526,562	10	610.30	2,152,260,789	Other than cash (Refer Note 6)	78,478,089	784,780,890	Preferential Allotment to Minority Shareholders of Msource Corporation, USA
October 11, 2004	11,200	10	NA	NA	Other than cash	78,489,289	784,892,890	Release of Bonus Abeyance Shares
December 9, 2004	109,919	10	610.30	67,083,566	Other than cash (Refer Note 7)	78,599,208	785,992,080	Preferential Allotment to Option holders of Msource Corporation
January 11, 2005	700	10	NA	NA	Other than cash	78,599,908	785,999,080	Release of Bonus Abeyance Shares
April 1, 2005 to March 31, 2006	2,283,486	10	58	132,864,541	Cash	80,883,394	808,833,940	ESOP
September 10, 2005	3,500	10	NA	NA	Other than cash	80,886,894	808,868,940	Release of Bonus Abeyance Shares
November 15, 2005	80,124,266	10	NA	NA	Other than cash (Refer Note 8)	161,011,160	1,610,111,600	Bonus
April 1, 2006 to March 31, 2007	3,053,293	10	110	334,848,861	Cash	164,064,453	1,640,644,530	ESOP
April 26, 2006	6,300	10	NA	NA	Other than cash	164,070,753	1,640,707,530	Release of Bonus Abeyance Shares
January 16, 2007	700	10	NA	NA	Other than cash	164,071,453	1,640,714,530	Release of Bonus Abeyance Shares
February 20, 2007	300	10	NA	NA	Other than cash	164,071,753	1,640,717,530	Release of Bonus Abeyance Shares
April 1, 2007 to March 31, 2008	539,554	10	138	74,539,385	Cash	164,611,307	1,646,113,070	ESOP
August 06, 2007	44,104,065	10	NA	NA	Other than cash (Refer Note 9)	208,715,372	2,087,153,720	Merger-EDS India Private Ltd
August 14, 2007	7,700	10	NA	NA	Other than cash	208,723,072	2,087,230,720	Release of Bonus Abeyance Shares
October 01, 2007	700	10	NA	NA	Other than cash	208,723,772	2,087,237,720	Release of Bonus Abeyance Shares
April 04, 2008	2,100	10	NA	NA	Other than cash	208,725,872	2,087,258,720	Release of Bonus Abeyance Shares
April 1, 2008 to October 31, 2008	197,292	10	116	22,857,880	Cash	208,923,164	2,089,231,640	ESOP
November 1, 2008 to	646,257	10	124	80,123,197	Cash	209,569,421	2,095,694,210	ESOP

Date of Allotment	Number of Equity Shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Rs.)	Nature of consideration	Cumulative Number of Equity Shares	Cumulative Equity Share Capital	Type of Issue
October 31, 2009								
November 20, 2008	1,400	10	NA	NA	Other than cash	209,570,821	2,095,708,210	Release of Bonus Abeyance Shares
November 1, 2009 to October 31, 2010	350,692	10	127	44,663,286	Cash	209,921,513	2,099,215,130	ESOP
May 25, 2010	2,500	10	NA	NA	Other than cash	209,924,013	2,099,240,130	Release of Bonus Abeyance Shares
November 1, 2010 to October 31, 2011	110,632	10	118	13,032,570	Cash	210,034,645	2,100,346,450	ESOP
October 18, 2010	700	10	NA	NA	Other than cash	210,035,345	2,100,353,450	Release of Bonus Abeyance Shares
October 18, 2011	700	10	NA	NA	Other than cash	210,036,045	2,100,360,450	Release of Bonus Abeyance Shares
November 1, 2011 to October 31, 2012	70,812	10	86	6,075,467	Cash	210,106,857	2,101,068,570	ESOP
November 1, 2012 to October 31, 2013	19,542	10	97	1,896,133	Cash	210,126,399	2,101,263,990	ESOP
May 31, 2013	700	10	NA	NA	Other than cash	210,127,099	2,101,270,990	Release of Bonus Abeyance Shares
November 1, 2013 to March 31, 2014	7,722	10	107	827,700	Cash	210,134,821	2,101,348,210	ESOP
April 1, 2014 to March 31, 2015	6,002	10	110	661,480	Cash	210,140,823	2,101,408,230	ESOP
April 1, 2015 to March 31, 2016	46,294	10	20	924,028	Cash	210,187,117	2,101,871,170	ESOP
April 1, 2016 to March 31, 2017	229,963	10	11	2,537,926	Cash	210,417,080	2,104,170,800	ESOP

**Notes:**

1. The Issue price for ESOP represents average price
2. Issued for a consideration other than cash to Mphasis Holdings Limited in lieu of 100% Common Stock/Common Stock Equivalents of Mphasis Corporation, USA, pursuant to the MOU entered into on 6 February 2000 between the Company and Mphasis Corporation.
3. Bonus issue in the ratio 1:1 authorized by the Shareholders through a special resolution passed in Annual General Meeting of the Shareholders of the Company held on June 2, 2003.
4. Bonus issue in the ratio 1:1 authorized by the Shareholders through a special resolution passed in Extra Ordinary General Meeting of the Shareholders of the Company held on May 12, 2004.
5. Issued for a consideration other than cash to the selling shareholders of Kshema Technologies Limited for acquisition of Kshema Technologies Limited
6. Issued for a consideration other than cash to the selling shareholders for acquisition of Common Stock and Preferred Stock of Msource Corporation, USA pursuant to the approval received from FIPB vide their letter reference N.FCII:276(2004)/244(2004) dated 9 September 2004.
7. Issued for a consideration other than cash to erstwhile option holders of the merged subsidiary Msource Corporation, USA pursuant to the approval received from FIPB vide their letter No.FCII: 276(2004)/244(2004) dated 9 September 2004.
8. Bonus issue in the ratio 1:1 authorised by the Shareholders through a special resolution passed in Extra Ordinary General Meeting of the Shareholders of the Company held on 29 September 2005.
9. Equity Shares allotted to the shareholders of EDS Electronic Data Systems (India) Private Limited pursuant to the scheme of merger between the Company and EDS Electronic Data Systems (India) Private Limited, approved by the High Court of Karnataka vide order dated June 19, 2007 and High Court of Judicature at Bombay vide order dated February 2, 2007.



IV. The Details of the Board of Directors of the Company as on date of this Letter of Offer are as follows:

Sr. No	Name, Qualification, Occupation, Age and DIN	Designation	Date of Appointment/ Reappointment	Other Directorships
1	Name: Amit Dalmia Qualification: B.Com, CA, CS, CWA Occupation: Corporate Executive Age: 41 DIN: 5313886	Non – Independent Director	September 1, 2016	<ul style="list-style-type: none"> <li>• CMS IT Services Private Limited</li> <li>• SH Kelkar and Company Limited</li> </ul>
2	Name: Amit Dixit Qualification: MBA- Harvard Business School, MS in Engineering-Stanford University, B.Tech-Indian Institute of Technology Mumbai Occupation: Investor Age: 44 DIN: 01798942	Non – Independent Director	September 1, 2016	<ul style="list-style-type: none"> <li>• NCC Limited</li> <li>• Midday Infomedia Limited</li> <li>• Jagran Media Network Investment Private Limited</li> <li>• Jagran Prakshan Limited</li> <li>• Hindustan Powerprojects Private Limited</li> <li>• Blackstone Advisors India Private Limited</li> <li>• S H Kelkar &amp; Company Limited</li> <li>• Salt Bidco</li> <li>• Hummingbird Island Airline Limited</li> <li>• Seaplane Holding Cayman Limited</li> <li>• Salt Topco</li> <li>• Maldivian Air Taxi Private Limited</li> <li>• Trans Maldivian Airways Private Limited</li> <li>• Intelenet Global Services Private Limited</li> <li>• IBS Software Private Limited</li> </ul>
3	Name: Dario Zamarian Qualification: MBA & Masters of Science in Electrical Engineering Occupation: Professional Age: 52 DIN: 07599359	Non – Independent Director	September 1, 2016	<ul style="list-style-type: none"> <li>• Gigamon Inc.</li> <li>• Scale Computing Inc.</li> <li>• RTDA (Run-Time-Design-Automation) Inc.</li> </ul>
4	Name: David Lawrence Johnson Qualification: B.A and MBA Occupation: Corporate Executive Age: 63 DIN: 07593637	Non – Independent Director	September 1, 2016	<ul style="list-style-type: none"> <li>• Cylance Inc</li> <li>• Green Sky Labs, Inc</li> <li>• Cloudreach</li> </ul>
5	Name: Davinder Singh Brar Qualification: B.E. (Electrical) & Masters in Business Administration Occupation: Professional Age: 64 DIN: 00068502	Chairman of the Board & Independent Director	April 8, 2004	<ul style="list-style-type: none"> <li>• Maruti Suzuki India Limited</li> <li>• Suraj Hotels Private Limited</li> <li>• Madhubani Investments Private Limited</li> <li>• Suraj Overseas Private Limited</li> <li>• Green Valley Land &amp; Development Private Limited</li> <li>• Davix Management Services Private Limited</li> <li>• GVK Biosciences Private Limited</li> <li>• Inogent Laboratories Private Limited</li> <li>• GVKDavix Research Services Private Limited</li> <li>• Davix Pharmaceuticals Private Limited</li> <li>• Wockhardt Limited</li> <li>• Gland Pharma Limited</li> <li>• Mountain Trail Foods Private Limited</li> </ul>

Sr. No	Name, Qualification, Occupation, Age and DIN	Designation	Date of Appointment/ Reappointment	Other Directorships
				<ul style="list-style-type: none"> <li>Excelra Knowledge Solutions Private Limited (Previously known as GVK Informatics Private Limited)</li> <li>GVK Davix Technologies Pvt Ltd</li> </ul>
6	Name: Jan Kathleen Hier Qualification: Bachelor in Economics & Post Graduate Occupation: Professional Age: 62 DIN: 07360483	Independent Director	December 11, 2015	<ul style="list-style-type: none"> <li>Bicycle Financial Inc – Partner</li> </ul>
7	Name: Narayanan Kumar Qualification: Electronics Engineering Graduate Occupation: Industrialist Age: 67 DIN: 00007848	Independent Director	February 15, 2013	<ul style="list-style-type: none"> <li>Bharti Infratel Limited</li> <li>Entertainment Network (India) Limited</li> <li>Times Innovative Media Limited</li> <li>MRF Limited</li> <li>Take Solutions Limited</li> <li>eG Innovations Private Limited</li> <li>eG Innovations Pte Limited</li> <li>Madhuram Narayanan Centre for Exceptional Children (Sec.8 CO.)</li> <li>N K Trading and Consultancy Private Limited</li> <li>Aegon Life Insurance Company Limited</li> <li>L&amp;T Technology Services Limited</li> <li>Larsen &amp; Toubro Limited</li> <li>Nani Palkhivala Arbitration Centre (Sec. 8 Co)</li> <li>Singapore India Partnership Foundation (Sec.8 Co.)</li> </ul> <p><b>Trusteeships:</b></p> <ul style="list-style-type: none"> <li>Alumni Trust of Anna University, Chennai</li> <li>WWF-India</li> <li>The Indian Education Trust</li> </ul>
8	Name: Nitin Rakesh Qualification: Bachelor's Degree in Engineering and Masters' in Management Occupation: Corporate Executive Age: 45 DIN: 00042261	Chief Executive Officer & Whole-time Director	January 29, 2017	<ul style="list-style-type: none"> <li>NIL</li> </ul>
9	Name: Paul James Upchurch Qualification: Bachelors of Science in Information and Decision Sciences Occupation: Professional Age: 48 DIN: 07593638	Non – Independent Director	September 1, 2016	<ul style="list-style-type: none"> <li>Service King</li> </ul>

V. The details of changes in the Board of Directors during the last three (3) years preceding the date of the Public Announcement are as under:

Name of the Director, Designation and DIN	Appointment/ Resignation	Effective Date	Reasons
Antonio Fabio Neri Vice Chairman DIN 05203484	Resignation	December 5, 2013	Due to Director's other professional commitments
V Ravichandran Non Executive Director DIN 02064557	Resignation	February 12, 2014	Due to Director's other professional commitments

Name of the Director, Designation and DIN	Appointment/ Resignation	Effective Date	Reasons
Chandrakant D Patel Non Executive Director DIN 06436184	Resignation	October 26, 2015	Due to Director's other professional commitments
Shankar Maitra Non Executive Director DIN 06748985	Resignation	October 26, 2015	Due to Director's other professional commitments
Friedrich Froeschl Chairman DIN 02601362	Resignation	October 26, 2015	Pre-Occupation & other Professional commitments
Jan Kathleen Hier Independent Director DIN 07360483	Appointment	December 11, 2015	-
James Mark Merritt Vice Chairman and Non Executive Director DIN 06500079	Resignation	September 1, 2016	Due to Director's other Professional commitments
Lakshmikanth K Ananth Non Executive Director DIN 06508596	Resignation	September 1, 2016	Due to Director's other Professional commitments
Stefan Antonio Lutz Non Executive Director DIN 06810434	Resignation	September 1, 2016	Due to Director's other Professional commitments
Mary Teresa Hassett Non Executive Director DIN 06983782	Resignation	September 1, 2016	Due to Director's other Professional commitments
Amit Dixit Non Executive Director DIN 01798942	Appointment	September 1, 2016	-
Amit Dalmia Non Executive Director DIN 05313886	Appointment	September 1, 2016	-
David Lawrence Johnson Non Executive Director DIN 07593637	Appointment	September 1, 2016	-
Paul James Upchurch Non Executive Director DIN 07593638	Appointment	September 1, 2016	-
Dario Zamarian Non Executive Director DIN 07599359	Appointment	September 1, 2016	-
Balu Ganesh Ayyar Chief Executive Officer & Whole time Director DIN 02511209	Ceased to be a Director	January 29, 2017	Expiry of Term as CEO-
Nitin Rakesh Chief Executive Officer & Whole time Director DIN 00042261	Appointment	January 29, 2017	-

VI. The Buyback will not result in any benefit to any directors of the Company/ Promoter / Person in Control of the Company/ group companies except to the extent of the cash consideration received by them from the Company pursuant to their respective participation in the Buyback in their capacity as Equity Shareholders of the Company, and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to reduction in the equity share capital of the Company post Buyback.

VII. The Board of Directors of the Company does not hold any Equity Shares as on the date of the Public Announcement.

## 17. FINANCIAL INFORMATION ABOUT THE COMPANY

I. The salient financial information of the Company as extracted from the audited standalone financial statements of the Company as at and for the nine months ended December 31, 2016 are as under:

(Rs. In lakhs unless otherwise stated)

Particulars	Nine Months Ended
	December 31, 2016 (Audited) <sup>(1)</sup>
Total Income <sup>(2)</sup>	240,786.9
Total Expenses (Excluding Finance Cost & Depreciation but including exceptional item <sup>(4)</sup> )	177,243.7
Finance Cost <sup>(3)</sup>	223.3
Depreciation	1,929.3
Profit before tax (after exceptional item)	61,390.6
Provision for tax (including Deferred Tax)	15,533.9
Profit/ (Loss) after tax	45,856.7
Equity Share Capital	21,039.1
Reserves & Surplus <sup>(5)</sup>	427,566.2
Net worth <sup>(5)</sup>	448,605.3
Total debt (excluding working capital loans classified as current liabilities)	-

**Notes:**

- (1) The Company has adopted Indian Accounting Standards ("Ind AS") with effect from April 1, 2016 and accordingly, these financial results have been prepared in accordance with Companies (Indian Accounting Standard) Rules, 2015 as prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules framed thereunder and the other accounting principles generally accepted in India. Consequently, financial results for the nine months ended December 31, 2016 are not comparable with previous year audited financial results.
- (2) Includes Net Sales/Income from Operations and Other Income.
- (3) Finance Cost includes interest and exchange difference to the extent considered as an adjustment to borrowing costs.
- (4) Includes exceptional item of Rs. 397.7 lakhs relating to accelerated cost due to change in control.
- (5) Excluding revaluation reserves and miscellaneous expenditure to the extent not written off.

The salient financial information of the Company as extracted from the audited standalone financial statements of the Company as at and for the financial years ended March 31, 2016, March 31, 2015, five months ended March 31, 2014 and twelve months ended October 31, 2013 are as under:

(Rs. In lakhs unless otherwise stated)

Particulars	Year ended	Five Months ended	Year ended
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	March 31, 2016 (Audited)	March 31, 2015 (Audited)	March 31, 2014 (Audited) <sup>(1)</sup>	October 31, 2013 (Audited) <sup>(2)</sup>
Total Income <sup>(3)</sup>	308,900.7	318,858.7	137,518.0	344,587.1
Total Expenses (Excluding Finance Cost & Depreciation but including exceptional item <sup>(4)</sup> )	244,477.7	241,788.4	104,793.4	262,934.4
Finance Cost <sup>(5)</sup>	642.7	592.1	42.4	1,348.3
Depreciation	2,876.1	3,312.1	1,944.0	7,985.5
Profit before tax	60,904.2	73,166.1	30,738.2	72,318.9
Provision for tax (including Deferred Tax)	15,067.7	17,863.1	8,430.0	18,367.5
Profit/ (Loss) after tax	45,836.5	55,303.0	22,308.2	53,951.4
Equity Share Capital	21,019.4	21,014.8	21,014.2	21,013.4
Reserves & Surplus <sup>(6)</sup>	431,728.9	383,935.7	364,463.0	350,662.2
Net worth <sup>(6)</sup>	452,748.3	404,950.5	385,477.2	371,675.6
Total debt (excluding working capital loans classified as current liabilities)	-	-	-	-

**Notes:**

- (1) For the period ending March 31, 2014, the financial statements have been prepared for five months ending March 31, 2014 due to change in accounting year.
- (2) For the period ending October 31, 2013, company was following November to October accounting year.
- (3) Includes Net Sales/Income from operations and Other Income.
- (4) Total expenses includes exceptional items.
- (5) Finance Cost includes interest and exchange difference to the extent considered as an adjustment to borrowing costs.
- (6) Excluding revaluation reserves and miscellaneous expenditure to the extent not written off.

**Key Financial Ratios:**

Particulars	Nine Months Ended	Year ended		Five Months ended	Year ended
	December 31, 2016 (Audited)	March 31, 2016 (Audited)	March 31, 2015 (Audited)	March 31, 2014 (Audited)	October 31, 2013 (Audited)
<b>Key Ratios</b>					
Earnings per Share – Basic (Rs.) <sup>(1)</sup>	21.8 <sup>(8)</sup>	21.8	26.3	10.6	25.7
Earnings per Share – Diluted (Rs.) <sup>(2)</sup>	21.8 <sup>(8)</sup>	21.8	26.3	10.6	25.6
Book Value Per Share (Rs.) <sup>(3)</sup>	213.2	215.4	192.7	183.4	176.9
Return on Net worth (%) <sup>(4)</sup>	10.2%	10.1%	13.7%	5.8%	14.5%
Debt-Equity ratio <sup>(5)</sup>	-	-	-	-	-
Total Debt/ Net worth <sup>(6)</sup>	-	-	-	-	-

**Notes:**

- (1) Earnings per Share (Basic) = Profit/(loss) after tax/Number of weighted average shares.
- (2) Earnings per Share (Diluted) = Profit/(loss) after tax/Number of weighted average shares + shares issuable from stock options.
- (3) Book value per Share = Net worth (Excluding revaluation reserves and miscellaneous expenditure to the extent not written off) / Number of shares outstanding.

- (4) Return on Net worth = Profit after tax/ Net worth. Net worth excludes revaluation reserve and miscellaneous expenditure to the extent not written off.
- (5) Debt-Equity Ratio = Total Debt/ Shareholders' fund (Net worth excludes revaluation reserve) (Debt excludes working capital loans).
- (6) Total Debt/ Net worth = Total Debt/ Net worth (Net worth excludes revaluation reserve) (Debt excludes working capital loans).
- (7) The financial ratios and information specified in the above table has been prepared based on audited standalone financial statements of the Company as at and for the nine months ended December 31, 2016 and as at and for the financial years ended March 31, 2016, 2015, five months ended March 31, 2014 and year ended October 31, 2013.
- (8) The earning per shares (Basic and diluted) is for the nine months ended 31st December and the same has not been annualised.

II. The salient financial information of the Company as extracted from the audited consolidated financial statements of the Company as at and for the nine months ended December 31, 2016:

**(Rs. In lakhs unless otherwise stated)**

Particulars	Nine Months Ended
	December 31, 2016 (Audited) <sup>(1)</sup>
Total Income <sup>(2)</sup>	476,054.3
Total Expenses (Excluding Finance cost and Depreciation but including exceptional item) <sup>(4)</sup>	384,592.4
Finance Cost <sup>(3)</sup>	1,214.7
Depreciation	4,083.2
Profit before tax	86,164.0
Provision for tax (including Deferred Tax)	24,221.7
Profit/ (Loss) after tax	61,942.3
Equity Share Capital	21,039.1
Reserves & Surplus <sup>(5)</sup>	623,365.4
Net worth <sup>(5)</sup>	644,404.5
Total debt (excluding working capital loans classified as current liabilities)	-

**Notes:**

- (1) The Company has adopted Indian Accounting Standards ("Ind AS") with effect from April 1, 2016 and accordingly, these financial results have been prepared in accordance with Companies (Indian Accounting Standard) Rules, 2015 as prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules framed thereunder and the other accounting principles generally accepted in India. Consequently, financial results for the nine months ended December 31, 2016 are not comparable with previous year audited financial results.
- (2) Includes Net Sales/Income from operations and Other Income.
- (3) Finance Cost includes interest and exchange difference to the extent considered as an adjustment to borrowing costs.
- (4) Includes exceptional item of Rs.585.2 lakhs relating to accelerated cost due to change in control.
- (5) Excluding revaluation reserves and miscellaneous expenditure to the extent not written off.

The salient financial information of the Company as extracted from the audited consolidated financial statements of the Company as at and for the financial years ended March 31, 2016, March 31, 2015, five months ended March 31, 2014 and twelve months ended October 31, 2013 are as under:

**(Rs. In lakhs unless otherwise stated)**

Particulars	Year ended		Five months ended	Year ended
	March 31, 2016 (Audited)	March 31, 2015 (Audited)	March 31, 2014 (Audited) <sup>(1)</sup>	October 31, 2013 (Audited) <sup>(2)</sup>
Total Income <sup>(3)</sup>	628,393.5	599,154.5	264,603.2	593,677.3
Total Expenses (Excluding Finance cost and Depreciation but including exceptional item) <sup>(4)</sup>	524,640.5	492,788.1	216,269.5	476,372.3
Finance cost <sup>(5)</sup>	2,409.6	2,791.5	1,113.8	3,304.2
Depreciation	7,442.0	9,807.0	5,038.5	14,482.9
Profit before tax	93,901.4	93,767.9	42,181.4	99,517.9
Provision for tax (including Deferred Tax)	26,963.8	26,304.0	11,913.3	25,138.2
Profit/ (Loss) after tax	66,937.6	67,463.9	30,268.1	74,379.7
Equity Share Capital	21,019.4	21,014.8	21,014.2	21,013.4
Reserves & Surplus <sup>(6)</sup>	608,285.7	526,962.4	490,483.3	472,432.4
Net worth <sup>(6)</sup>	629,305.1	547,977.2	511,497.5	493,445.8
Total debt (excluding working capital loans classified as current liabilities)	17,888.9	30,937.5	43,138.8	49,819.1

**Notes:**

- (1) For the period ending March 31, 2014, the financial statements have been prepared for five months ending March 31, 2014 due to change in accounting year.
- (2) For the period ending October 31, 2013, company was following November to October accounting year.
- (3) Includes Net Sales/Income from operations and Other Income.
- (4) Total expenses includes exceptional items.
- (5) Finance Cost includes interest and exchange difference to the extent considered as an adjustment to borrowing costs.
- (6) Excluding revaluation reserves and miscellaneous expenditure to the extent not written off.

**Key Financial Ratios:**

Particulars	Nine Months Ended	Year ended		Five Months Ended	Year ended
	December 31, 2016 (Audited)	March 31, 2016 (Audited)	March 31, 2015 (Audited)	March 31, 2014 (Audited)	October 31, 2013 (Audited)
<b>Key Ratios</b>					
Earnings per Share – Basic (Rs.) <sup>(1)</sup>	29.5 <sup>(8)</sup>	31.9	32.1	14.4	35.4
Earnings per Share – Diluted (Rs.) <sup>(2)</sup>	29.4 <sup>(8)</sup>	31.8	32.1	14.4	35.3
Book Value Per Share (Rs.) <sup>(3)</sup>	306.3	299.4	260.8	243.4	234.8
Return on Net worth (%) <sup>(4)</sup>	9.6%	10.6%	12.3%	5.9%	15.1%
Debt-Equity ratio <sup>(5)</sup>	-	0.03	0.06	0.08	0.10
Total Debt/ Net worth <sup>(6)</sup>	-	0.03	0.06	0.08	0.10

**Note:**

- (1) Earnings per Share (Basic) = Profit/(loss) after tax/Number of weighted average shares.

- (2) Earnings per Share (Diluted) = Profit/(loss) after tax/Number of weighted average shares + shares issuable from stock options.
- (3) Book value per Share = Net worth (Excluding revaluation reserves and miscellaneous expenditure to the extent not written off )/ Number .of shares outstanding.
- (4) Return on Net worth = Profit after tax/ Net worth. Net worth excludes revaluation reserve and miscellaneous expenditure to the extent not written off.
- (5) Debt-Equity Ratio = Total Debt/ Shareholders fund. (Net worth excludes revaluation reserve)(Debt excludes working capital loans).
- (6) Total Debt/ Net worth = Total Debt/ Net worth.(Net worth excludes revaluation reserve) (Debt excludes working capital loans).
- (7) The financial ratios and information specified in the above table has been prepared based on audited consolidated financial statements of the Company as at and for the nine months ended December 31, 2016 and as at and for the financial years ended March 31, 2016, 2015, five months ended March 31, 2014 and year ended October 31, 2013.
- (8) The earning per shares –Basic and diluted is for the nine months ended December 31, 2016 and the same has not been annualised.

III. The Company shall comply with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, wherever and if applicable. The Company hereby declares that it has complied with Sections 68, 69 and 70 of the Companies Act and the Rules.

## 18. STOCK MARKET DATA

- I. The Equity Shares are currently listed on BSE and NSE.
- II. The high, low and average market prices in preceding three (3) financial years and the monthly high, low and average market prices for the six (6) months preceding the date of publication of Public Announcement and the corresponding volumes on NSE (stock exchange where Company's shares are most frequently traded) are as follows:

Period	High Price (Rs)	Date of High Price & Number of shares traded on that date	Low Price (Rs)	Date of Low Price & Number of shares traded on that date	Average Price (Rs)	Total Volume Traded in the period (No. of shares)
<b>PRECEDING 3 YEARS</b>						
April 1, 2015 – March 31, 2016	534.35	October 29, 2015 (2,986,515)	361.05	June 3, 2015 (57,266)	431.06	50,934,561
April 1, 2014 – March 31, 2015	476.90	July 18, 2014 (315,617)	331.10	February 4, 2015 (73,798)	406.94	31,480,525
April 1, 2013 – March 31, 2014	514.05	May 30, 2013 (1,413,511)	347.35	June 27, 2013 (111,738)	408.52	27,101,947
<b>PRECEDING 6 MONTHS</b>						
Feb 2017	597.90	February 27, 2017 (142,388)	558.00	February 10, 2017 (191,100)	573.47	4,434,406
Jan 2017	580.00	January 30, 2017 (199,747)	516.00	January 17, 2017 (258,629)	535.74	2,054,188
Dec 2016	579.90	December 19, 2016 (178,020)	506.15	December 13, 2016 (159,498)	540.19	2,181,160
Nov 2016	533.20	November 30, 2016 (180,286)	465.05	November 9, 2016 (251,991)	511.59	3,106,844
Oct 2016	560.05	October 13, 2016 (219,945)	501.00	October 26, 2016 (43,268)	529.44	1,666,889
Sep 2016	576.95	September 1, 2016 (93,477)	501.10	September 21, 2016 (591,421)	530.98	2,420,884

Source: nseindia.com

Note: High and Low price for the period are based on intraday prices and Average Price is based on average of closing price.



III. The high, low and average market prices in preceding three (3) financial years and the monthly high, low and average market prices for the six (6) months preceding the date of publication of Public Announcement and the corresponding volumes on BSE are as follows:

Period	High Price (Rs)	Date of High Price & Number of shares traded on that date	Low Price (Rs)	Date of Low Price & Number of shares traded on that date	Average Price (Rs)	Total Volume Traded in the period (No. of shares)
<b>PRECEDING 3 YEARS</b>						
April 1, 2015 – March 31, 2016	534.00	October 29, 2015 (535,653)	362.50	June 3, 2015 (7,213)	430.75	7,455,341
April 1, 2014 – March 31, 2015	476.50	July 18, 2014 (71,756)	331.00	February 4, 2015 (28,860)	406.84	4,834,632
April 1, 2013 – March 31, 2014	513.00	May 30, 2013 (366,119)	347.70	June 27, 2013 (20,407)	408.22	4,789,979
<b>PRECEDING 6 MONTHS</b>						
Feb 2017	597.45	February 27, 2017 (9,917)	558.60	February 10, 2017 (10,731)	573.47	280,311
Jan 2017	578.55	January 31, 2017 (11,723)	517.00	January 17, 2017 (3,093)	535.46	227,422
Dec 2016	579.45	December 19, 2016 (16,268)	507.70	December 13, 2016 (6,052)	538.87	186,418
Nov 2016	533.00	November 30, 2016 (6,569)	425.00	November 7, 2016 (37,195)	511.18	672,154
Oct 2016	559.50	October 13, 2016 (17,569)	502.00	October 26, 2016 (5,839)	529.81	179,862
Sep 2016	576.65	September 1, 2016 (10,445)	502.00	September 20, 2016 (6,980) September 21, 2016 (3,814)	530.81	178,605

**Source:** bseindia.com

**Note:** High and Low price for the period are based on intraday prices and Average Price is based on average of closing price.

IV. The closing market price of the Equity Shares on BSE and NSE as on January 30, 2017, being the working day previous to the day the Board approved the proposal for Buyback, was Rs. 575.50 and Rs. 578.60 respectively.

V. The closing market price of the Equity Shares on BSE and NSE as on February 1, 2017, being the working day after to the day of resolution of the Board approving the proposal for Buyback, was Rs. 564.05 and Rs. 563.85 respectively.

## 19. DETAILS OF THE STATUTORY APPROVALS

- I. The Buyback is subject to approvals, if any, required under the provisions of the Companies Act, the Buyback Regulations, and applicable rules and regulations as specified by RBI under FEMA and/ or such other applicable rules and regulations for the time being in force.
- II. This Buyback was also subject to the grant of certain exemptions and no action relief by the staff of the U.S. Securities and Exchange Commission prior to the

commencement of the tendering period in order to allow the Buyback Offer to be made to U.S. Eligible Sellers without breaching the rules under the U.S. Securities Exchange Act of 1934, as amended. The staff of the U.S. Securities and Exchange Commission has granted such exemptive and no action relief in relation to the Buyback through its letter dated April 7, 2017, subject to satisfaction of certain conditions specified therein.

- III. Buyback from Non-Resident Shareholders will be subject to approvals, if any, of the appropriate authorities as applicable. Non-Resident Indians (“**NRI**”) must obtain all applicable approvals required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from the RBI). It is the obligation of such Non-Resident Shareholders and NRI shareholders, to determine the applicability of such approvals, obtain such approvals and submit such approvals along with the Tender Form, so as to enable them to tender Equity Shares in the Buyback and for the Company to purchase such Equity Shares, tendered.
- IV. Erstwhile Overseas Corporate Bodies (“**OCBs**”) are required to obtain specific prior approval from RBI for tendering Equity Shares in the Buyback Offer.
- V. The Company shall not accept Equity Shares from Non-Resident Shareholders, NRI and OCBs in respect of whom such applicable statutory or regulatory approval is required and copies of such approvals are not submitted.
- VI. The Company will have the right to make payment to the Eligible Sellers in respect of whom no prior RBI approval is required and not accept Equity Shares from the Eligible Sellers in respect of whom prior RBI approval is required in the event copies of such approvals are not submitted.
- VII. As on date, there are no other statutory or regulatory approval required to implement the Buyback other than those indicated above. If any statutory or regulatory approvals become applicable subsequently, the Buyback will be subject to such statutory or regulatory approvals. In the event that the receipt of any statutory/ regulatory approvals are delayed, changes to the proposed timetable of the Buyback, if any, shall be intimated to BSE and NSE.

## **20. DETAILS OF THE REGISTRAR TO THE BUYBACK AND COLLECTION CENTRES**

### **I. REGISTRAR TO THE BUY BACK:**

**Integrated Registry Management Services Private Limited**

**Address:** No. 30, Ramana Residency, 4<sup>th</sup> Cross, Sampige Road, Malleswaram, Bengaluru – 560 003, India

**Tel:** +91 080 2346 0815-818

**Fax:** +91 080 2346 0819

**Email:** giri@integratedindia.in

**Website:** [www.integratedindia.in](http://www.integratedindia.in)

**Contact Persons:** Mr. S.Vijayagopal/ Mr. S. Giridhar

**SEBI Regn. No.:** INR000000544

**Corporate Identity Number:** U74900TN2015PTC101466

In case of any queries, the shareholders may contact the Registrar to the Buyback during office hours i.e., 10:00 a.m. to 5:00 p.m. on all working days except Saturday, Sunday and public holidays.

## **II. COLLECTION CENTRES:**

Eligible Sellers are requested to submit their Form(s) and requisite documents either by registered post/ courier to the Registrar to the Buyback, superscribing the envelope as “**Mphasis Buyback Offer 2017**”, or hand deliver the same to the Registrar at the address mentioned above.

**THE TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE COMPANY OR TO THE MANAGER TO THE BUYBACK.**

**EQUITY SHAREHOLDERS ARE ADVISED TO ENSURE THAT THE TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS ARE COMPLETE IN ALL RESPECTS; OTHERWISE SUCH DOCUMENTS ARE LIABLE TO BE REJECTED.**

## **21. PROCESS AND METHODOLOGY FOR THE BUYBACK**

- I. The Company proposes to Buyback not exceeding 17,370,078 (Seventeen Million Three Hundred Seventy Thousand and Seventy Eight) fully paid-up Equity Shares from the Equity Shareholders as on the Record Date, on a proportionate basis, through Tender Offer at a price of Rs. 635/- (Rupees Six Hundred and Thirty Five only) per Equity Share, payable in cash for an aggregate amount of Rs. 11,029,999,530/- (Rupees Eleven Billion Twenty Nine Million Nine Hundred Ninety Nine Thousand Five Hundred Thirty Only), excluding Transaction Costs. The maximum number of Equity Shares proposed to be bought back represents 8.26% of the total paid-up equity share capital of the Company as at December 31, 2016. The Buyback is in accordance with the provisions of Article 54A of the Articles of Association of the Company, Sections 68, 69, 70 and all other applicable provisions, if any, of the Companies Act and the Rules and Regulation 4(1)(a) of the Buyback Regulation and other applicable provisions contained in the Buyback Regulations and subject to such other approvals, permissions and exemptions as may be required, from time to time from statutory authorities and/ or regulatory authorities, including but not limited to SEBI, BSE and NSE. The Buyback was also subject to the grant of certain exemptions and no action relief by the staff of the U.S. Securities and Exchange Commission prior to the commencement of the tendering period in order to allow the Buyback Offer to be made to U.S. Eligible Sellers without breaching the rules under the U.S. Securities Exchange Act of 1934, as amended. The staff of the U.S. Securities and Exchange Commission has granted such exemptive and no action relief in relation to the Buyback through its letter dated April 7, 2017, subject to satisfaction of certain conditions specified therein. The Buyback Size does not exceed 25% of the fully paid-up equity share capital and free reserves as per the audited financial statements of the Company for the nine month period ended December 31, 2016.

The Company expresses no opinion as to whether Eligible Sellers should participate in the Buyback and, accordingly, Eligible Sellers are advised to consult their own advisors to consider participation in the Buyback.

II. The aggregate shareholding of the Promoter as at the date of the Public Announcement is 127,108,444 (One Hundred Twenty Seven Million One Hundred Eight Thousand and Four Hundred Forty Four) Equity Shares which represents 60.41% of the total paid-up equity share capital of the Company. In terms of the Buyback Regulations, under Tender Offer, the promoters and promoter group of a company have the option to participate in the buyback. In this regard, Marble II Pte Ltd, the Promoter of the Company, has expressed its intention vide its letter dated January 31, 2017 to participate in the Buyback to the extent of its entitlement in the Company as on Record Date and such higher number of Equity Shares as may be permitted by law and terms of the Buyback, up to an aggregate maximum of 127,108,444 (One Hundred Twenty Seven Million One Hundred Eight Thousand and Four Hundred Forty Four) Equity Shares.

III. Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Equity Shareholders upto their Buyback Entitlement, the post Buyback shareholding of the Promoter of the Company will increase from 60.41% to 61.15% of the post Buyback equity share capital.

#### IV. Record Date and Ratio of Buyback as per the Buyback Entitlement in each Category:

(a) The Buyback Committee vide its resolution dated March 14, 2017 announced March 31, 2017 as Record Date for the purpose of determining the Buyback Entitlement and the names of the Equity Shareholders who are eligible to participate in the Buyback.

(b) The Equity Shares proposed to be bought back as a part of this Buyback are divided into two categories:

- i. Reserved category for Small Shareholders ("**Reserved Category**"); and
- ii. General Category for all Eligible Sellers other than Small Shareholders ("**General Category**").

(c) As defined in the Buyback Regulations, a "Small Shareholder" includes a shareholder, who holds equity shares whose market value, on the basis of closing price on the recognized stock exchange in which registering the highest trading volume, as on Record Date, is not more than Rs. 2,00,000/- (Rupees Two Lakhs only). As on Record Date, the volume of Equity Shares traded on NSE was 2,24,152 Equity Shares and on BSE was 4,849 Equity Shares. Accordingly, NSE being the exchange with highest trading volume, the closing price was Rs. 579.90 and hence all Eligible Sellers holding not more than 344 Equity Shares as on the Record Date are classified as 'Small Shareholders' for the purpose of the Buyback Offer.

(d) Based on the above definition, there are 31,281 Small Shareholders in the Company with aggregate shareholding of 3,499,448 Equity Shares as on the Record Date, which constitutes 1.66% of the outstanding number of Equity Shares of the Company as on Record Date and 20.15% of the maximum number of Equity Shares which the Company proposes to buy back as a part of this Buyback.

- (e) In compliance with Regulation 6 of the Buyback Regulations, the reservation for the Small Shareholders, will be higher of:
- (i) Fifteen percent of the number of Equity Shares which the Company proposes to Buyback i.e., 15% of 17,370,078 (Seventeen Million Three Hundred Seventy Thousand Seventy Eight) Equity Shares which is 2,605,512 (Two Million Six Hundred Five Thousand Five Hundred Twelve) Equity Shares; or
  - (ii) The number of Equity Shares entitled as per their shareholding as on Record Date i.e.,  $(17,370,078 / 210,417,080) \times 3,499,448$  which works out to be 288,882 Equity Shares.

All the outstanding Equity Shares have been used for computing the Buyback Entitlement of Small Shareholders since Marble II Pte Ltd, the Promoter, also intends to offer Equity Shares held by it in the Buyback.

Based on the above and in accordance with Regulation 6 of the Buyback Regulations, 2,605,512 Equity Shares have been reserved for Small Shareholders. Accordingly, General Category shall consist of 14,764,566 Equity Shares

- (f) Based on the above Buyback Entitlements, the ratio of Buyback for both categories is decided as below:

Category of Shareholders	Ratio of Buyback
Reserved category for Small Shareholders	35 Equity Shares out of every 47 fully paid-up Equity Shares held on the Record Date.
General category for all other Eligible Sellers	1 Equity Share out of every 14 fully paid-up Equity Shares held on the Record Date.

*Note: The above ratio of Buyback is approximate and provides indicative Buyback Entitlement. Any computation of Entitlement using above Buyback ratio may provide a slightly different number than the actual entitlement due to rounding off. The actual Buyback Entitlement factor for Small Shareholders under reserved category is 0.744549 and for other shareholders under general category it is 0.071355.*

## V. Fractional Entitlements:

If the Buyback Entitlement, after applying the above mentioned ratios to the Equity Shares held on Record Date, is not a round number (i.e. not in the multiple of one (1) Equity Share), then the fractional entitlement shall be ignored for computation of Buyback Entitlement to tender Equity Shares in the Buyback for both categories of Eligible Sellers.

On account of ignoring the fractional entitlement, those Small Shareholders who hold 1 Equity Share as on Record Date will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender Additional Equity Shares as part of the Buyback Offer and will be given preference in the Acceptance of one (1) Equity Share, if such Small Shareholders have tendered Additional Equity Shares. The Company shall make best efforts subject to Buyback Regulation in accepting Equity Shares tendered by such Eligible Sellers to the extent possible and permissible.

## **VI. Basis of Acceptance of Equity Shares validly tendered in the Reserved Category for Small Shareholders:**

Subject to the provisions contained in the Letter of Offer, the Company will accept the Equity Shares tendered in the Buyback by the Small Shareholders in the Reserved Category in the following order of priority:

- (a) Full acceptance (i.e. 100%) of Equity Shares from Small Shareholders in the Reserved Category who have validly tendered their Equity Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.
- (b) Post the acceptance as described in the paragraph 21(VI)(a) above, in case, there are any Equity Shares left to be bought back from Small Shareholders in the Reserved Category, the Small Shareholders who were entitled to tender zero Equity Shares (on account of ignoring the fractional entitlement), and have tendered Additional Shares, shall be given preference and one (1) Equity Share each from the Additional Shares tendered by these Small Shareholders shall be bought back in the Reserved Category.
- (c) Post the acceptance as described in paragraphs 21(VI)(a) and 21(VI)(b) above, in case, there are any validly tendered unaccepted Equity Shares in the Reserved Category ("**Reserved Category Additional Shares**") and Equity Shares left to be bought back in Reserved Category, the Reserved Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Eligible Seller shall be equal to the Reserved Category Additional Shares tendered by the Eligible Seller divided by the total Reserved Category Additional Shares and multiplied by the total number of Equity Shares remaining to be bought back in Reserved Category. For the purpose of this calculation, the Reserved Category Additional Shares taken into account for such Small Shareholders, from whom one (1) Equity Share has been accepted in accordance with paragraph 21(VI)(b) above, shall be reduced by one (1).
- (d) Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 21(VI)(c), will be made as follows:
  1. For any Small Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of one (1) and the fractional acceptance is greater than or equal to point five zero (0.50), then the fraction would be rounded off to the next higher integer.
  2. For any Small Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of one (1) and the fractional acceptance is less than point five zero (0.50), then the fraction shall be ignored.

## **VII. Basis of Acceptance of Shares validly tendered in the General Category:**

Subject to the provisions contained in the Letter of Offer, the Company will accept the Equity Shares tendered in the Buyback by Eligible Sellers (other than Small Shareholders) in the General Category in the following order of priority:

- (a) Full acceptance (i.e., 100%) of the Equity Shares from Eligible Sellers in the General Category who have validly tendered their Equity Shares, to the extent of their Buyback Entitlement, or the number of Equity Shares tendered by them, whichever is less.
- (b) Post the Acceptance as described in paragraph 21(VII)(a) above, in case there are any validly tendered unaccepted Equity Shares in the General Category (“**General Category Additional Shares**”) and the Equity Shares left to be bought back in the General Category, the General Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Eligible Seller shall be equal to the General Category Additional Shares validly tendered by the Eligible Seller divided by the total General Category Additional Shares and multiplied by the total number of Equity Shares remaining to be bought back in General Category
- (c) Adjustment for fractional results in case of proportionate acceptance as described in paragraph 21(VII)(a) and (b) above, will be made as follows
  - (i) For any Eligible Seller, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of one (1) and the fractional Acceptance is greater than or equal to point five zero (0.50), then the fraction would be rounded off to the next higher integer.
  - (ii) For any Eligible Seller if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of one (1) and the fractional Acceptance is less than point five zero (0.50), then the fraction shall be ignored.

#### **VIII. Basis of Acceptance of Equity Shares between Categories**

- (a) After acceptances of tenders, as mentioned in paragraphs 21(VI) and 21(VII) above, there are any Equity Shares left to be bought back in one (1) category (“**Partially filled Category**”), and there are unaccepted validly tendered Equity Shares (“**Further Additional Shares**”) in the second category (“**Over Tendered Category**”), then the Further Additional Equity Shares in the Over Tendered Category shall be accepted in a proportionate manner i.e., valid Acceptances per Eligible Seller shall be equal to the Further Additional Shares validly tendered by the Eligible Shareholder in the Over Tendered Category divided by the total Further Additional Shares in the Over Tendered Category and multiplied by the total Equity Shares to be bought back in the Partially filled category.
- (b) If the Partially Filled Category is the General Category and the Over Tendered Category is the Reserved Category, then any Small Shareholder who has received a Tender Form with zero Buyback Entitlement and who has tendered Additional Shares shall be eligible for priority acceptance of one (1) Equity Share before acceptance in paragraph 21(VIII)(a) above out of the Equity Shares left to be bought back in the Partially Filled Category, provided no acceptance could take place from such Eligible Seller in accordance with paragraph 21(VI).
- (c) Adjustment for fraction results in case of proportionate Acceptance, as defined in paragraph 21(VIII)(a) and (b) above, will be made as follows:

- i. For any Eligible Seller, if the number of Further Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of one (1) and the fractional Acceptance is greater than or equal to point five zero (0.50), then the fraction would be rounded off to the next higher integer.
- ii. For any Eligible Seller, if the number of Further Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of one (1) and the fractional Acceptance is less than point five zero (0.50), then the fraction shall be ignored.

**IX. For avoidance of doubt, it is clarified that the Equity Shares accepted under the Buyback Offer from such Eligible Seller, in accordance with above clauses, shall be lower of the following:**

- (a) the number of Equity Shares tendered by the respective Eligible Seller; and
- (b) the number of Equity Shares held by respective Eligible Seller as on the Record Date.

**For avoidance of doubt, it is clarified that the Equity Shares tendered by any Eligible Seller over and above the number of Equity Shares held by such Eligible Seller as on the Record Date shall not be considered for the purpose of Acceptance in accordance with the above.**

**X. Clubbing of Entitlement**

In order to ensure that the same shareholders with multiple demat accounts/ folios do not receive a higher entitlement under the Small Shareholder category, the Equity Shares held by such shareholders with a common Permanent Account Number (“PAN”) shall be clubbed together for determining the category (Small Shareholder or General) and entitlement under the Buyback. In case of joint shareholding, the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical shall be clubbed together. In case of physical shareholders, where the sequence of PANs is identical and where the PANs of all joint shareholders are not available, the Registrar will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the PANs and name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, insurance companies, foreign institutional investors/ foreign portfolio investors etc. with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are held for different schemes/ sub-accounts and have a different demat account nomenclature based on information prepared by the Registrar as per the shareholder records received from the depositories. Further, the Equity Shares held under the category of “clearing members” or “corporate body margin account” or “corporate body – broker” as per the beneficial position data as on Record Date with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are assumed to be held on behalf of clients.

**22. PROCEDURE FOR TENDER OFFER AND SETTLEMENT**

- I. The Buyback is open to all Eligible Sellers.



- II. The Company proposes to effect the Buyback through Tender Offer, on a proportionate basis. The Letter of Offer and Tender Form, outlining the terms of the Buyback as well as the detailed disclosures as specified in the Buyback Regulations, will be mailed/dispatched to Eligible Sellers.
- III. The Company will not accept any Equity Shares offered for Buyback which are under any restraint order of a court for transfer/ sale of such shares
- IV. The Company shall comply with Regulation 19(5) of the Buyback Regulations which states that the Company shall not buyback the locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable.
- V. Eligible Sellers will have to transfer the Equity Shares from the same demat account in which they were holding the Equity Shares as on the Record Date and in case of multiple demat accounts, Eligible Sellers are required to tender the applications separately from each demat account.
- VI. The Company shall accept all the Equity Shares validly tendered for the Buyback by Eligible Sellers, on the basis of their Buyback Entitlement as on the Record Date.
- VII. As elaborated under paragraph 21 (IV) above, the Equity Shares proposed to be bought as a part of the Buyback is divided into two categories; (a) Reserved Category for Small Shareholders and (b) the General Category for other Eligible Sellers, and the Buyback Entitlement of a Eligible Seller in each category shall be calculated accordingly.
- VIII. After accepting the Equity Shares tendered on the basis of Buyback Entitlement, Equity Shares left to be bought as a part of the Buyback, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered, over and above their Buyback Entitlement, by Eligible Sellers in that category, and thereafter, from Eligible Sellers who have tendered over and above their Buyback Entitlement, in other category.
- IX. The Buyback shall be implemented using the Stock Exchange mechanism in accordance with SEBI Circulars and following the procedure prescribed in the Companies Act and the Buyback Regulations and as may be determined by the Board and on such terms and conditions as may be permitted by law from time to time.
- X. For implementation of the Buyback, the Company has appointed Karvy Stock Broking Limited as the registered broker to the Company (the “**Company's Broker**”) through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company’s Broker are as follows:

**Karvy Stock Broking Limited**

Address: Karvy Millennium, PlotNo.31,Financial District, Gachibowli Hyderabad

500 032

Tel : +91 040 33216775

Fax : +91 04023311968

Contact Person: Srikrishna Gurazada;

Email: service@karvy.com

Company Website: www.karvy.com

Sebi Registration Number : INB/INF/INE 230770138; BSE – INB/INF 010770130/  
010770131;

- XI. The Company shall request the Stock Exchanges to provide the separate Acquisition Window to facilitate placing of sell orders by Eligible Sellers who wish to tender Equity Shares in the Buyback. The details of the platform will be specified by the Stock Exchanges from time to time.
- XII. All Eligible Sellers may place orders in the Acquisition Window, through their respective Seller Member(s).
- XIII. During the Tendering Period, the order for selling the Equity Shares will be placed in the Acquisition Window by Eligible Sellers through their respective Seller Members during normal trading hours of the secondary market.
- XIV. Seller Members can enter orders for Equity Shares in demat form as well as Equity Shares in physical form.
- XV. Modification/ cancellation of orders and multiple bids from a single Shareholder will be allowed during the Tendering Period of the Buyback offer. Multiple bids made by single Shareholder for selling the Equity Shares shall be clubbed and considered as 'one' bid for the purposes of Acceptance.
- XVI. The cumulative quantity tendered shall be made available on NSE's and BSE's websites, [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com), respectively, throughout the trading session and will be updated at specific intervals during the Tendering Period.
- XVII. All documents sent by the Eligible Sellers will be at their own risk. Eligible Sellers are advised to safeguard adequately their interests in this regard.
- XVIII. **Procedure to be followed by Eligible Seller holding Equity Shares in the dematerialised form**
  - a) Eligible Sellers who desire to tender their Equity Shares in the electronic/ dematerialized form under Buyback would have to do so through their respective Seller Member(s) by giving the details of Equity Shares they intend to tender under the Buyback.
  - b) The Seller Member would be required to place an order/ bid on behalf of the Eligible Sellers who wish to tender Equity Shares in the Buyback using the Acquisition Window of the Stock Exchanges. Before placing the bid, the Eligible Seller would be required to transfer the tendered Equity Shares to the special account of clearing corporation (referred to as the "**Clearing Corporation**"), by using the early pay in mechanism as prescribed by the Stock Exchanges or the

Clearing Corporation prior to placing the bid by the Seller Member.

- c) The details of the special account shall be informed in the issue opening circular that will be issued by the Stock Exchanges and/ or the Clearing Corporation.
- d) For custodian participant orders for demat Equity Shares, early pay-in is mandatory prior to confirmation of order/bid by custodians. The custodian shall either confirm or reject the orders not later than closing of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, any order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
- e) Upon placing the order, the Seller Member shall provide TRS to the Eligible Seller. TRS will contain details of order submitted like bid ID No., DP ID, client ID, no. of Equity Shares tendered, etc.
- f) Eligible Sellers who have tendered their Equity Shares in the Buyback can 'hand deliver' Tender Form duly signed (by all Equity Sellers in case shares are in joint names) in same order in which they hold the Equity Shares, along with (i) the TRS at the head-office (mentioned in paragraph 20 on page 42 of this Letter of Offer) of Registrar to the Buyback Offer. TRS will be generated by the respective Seller Member(s). The Eligible Sellers who cannot hand deliver the Tender Form and other documents at the head-office of Registrar to the Buyback Offer, may send the same by registered post/ speed post, at their own risk, superscribing the envelope as "**Mphasis Buyback Offer 2017**", to the Registrar to the Buyback Offer at their office mentioned on the cover page of this Letter of Offer, so that the same are received not later than two (2) days from the closing date i.e., May 27, 2017 (by 5 PM).
- g) All the Eligible Sellers shall also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):
  - i) Duly attested power of attorney, if any person other than the Eligible Seller has signed the Tender Form;
  - ii) Duly attested death certificate and succession certificate/ legal heirship certificate, in case any Eligible Seller has expired; and
  - iii) In case of companies, the necessary certified corporate authorizations (including board and/ or general meeting resolutions).
- h) In case of non-receipt of the completed Tender Form and other documents, but receipt of Equity Shares in the special account of the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted, for demat Shareholders.
- i) The Eligible Sellers will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated buyback decided by the Company.

**XIX. Procedure to be followed by Registered Eligible Sellers holding Equity Shares in physical form**

- a) Eligible Sellers who are holding physical Equity Shares and intend to participate in the Buyback are required to approach their respective Seller

Member along with the complete set of documents for verification procedures to be carried out including the following:

- i. The Tender Form duly signed (by all Eligible Sellers in case Equity Shares are in joint names) the same order in which they hold the Equity Shares;
  - ii. Original share certificates;
  - iii. Valid share transfer form(s) duly filled and signed by the transferors (i.e. by all registered Eligible Sellers in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company;
  - iv. Self-attested copy of the Eligible Seller's permanent account number card;
  - v. Any other relevant documents such as, but not limited to:
    - Duly attested power of attorney if any person other than the Eligible Seller has signed the relevant Tender Form;
    - Notarized copy of death certificate/ succession certificate or probated will, if the original Eligible Seller has deceased;
    - Necessary corporate authorisations, such as board resolutions etc., in case of companies;
  - vi. In addition to the above, if the address of the Eligible Seller has undergone a change from the address registered in the register of members of the Company, the Eligible Seller would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid aadhar card, voter identity card or passport.
- b) Seller Member should place bids on the Acquisition Window with relevant details as mentioned on the physical share certificate(s). Upon placing the bid, the Seller Member shall provide a TRS to the Eligible Seller. TRS will contain the details of order submitted like folio no., certificate no., distinctive no., number of Equity Shares tendered etc.
- c) After placement of bid, as mentioned in paragraph 22(XIX)(b) above, the Seller Member must ensure delivery of Tender Form, TRS, original share certificate(s), valid share transfer form(s) and other documents (as mentioned in paragraph 22(XIX) (a) above) either by registered post or courier or hand delivery to the Registrar to the Buyback (at the address mentioned on the cover page and mentioned in paragraph 20 on page 42 of this Letter of Offer) not later than two (2) days from the closing date i.e., May 27, 2017 (by 5 PM). The envelope should be superscribed as “**Mphasis Buyback Offer 2017**”. One copy of the TRS will be retained by Registrar to the Buyback and it will provide acknowledgement of the same to the Seller Member.
- d) Eligible Sellers should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for Buyback by the Company shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. Registrar to the Buyback will verify such bids based on the documents submitted on a daily basis and till such time the Stock Exchanges shall display such bids as ‘unconfirmed physical bids’. Once, Registrar to the Buyback confirms the bids it will be treated as ‘Confirmed Bids’.

- e) All documents as mentioned above, shall be enclosed with the valid Tender Form, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company's equity share certificate enclosed with the Tender Form instead of the Equity Share certificate of the Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Sellers; (iii) If the Eligible Sellers tender Equity Shares but the Registrar does not receive the Equity Share certificate; (iv) In case the signature on the Tender Form and Form SH 4 doesn't match as per the specimen signature recorded with Company/ Registrar.
- f) In case an Eligible seller has submitted Equity Shares in physical form for dematerialization, such Eligible Seller should ensure that the process of getting the Equity Shares dematerialized is completed well in time so that they can participate in the Buyback Offer before Closing Date.

**XX. For Equity Shares held by Eligible Sellers, being Non-Resident Shareholders of Equity Shares (Read with Section 19 "DETAILS OF THE STATUTORY APPROVALS"):**

- (a) Eligible Sellers, being Non-Resident Shareholders of Equity Shares (excluding FIIs) shall also enclose a copy of the permission received by them from RBI, if applicable, to acquire the Equity Shares held by them.
- (b) In case the Equity Shares are held on repatriation basis, the Eligible Seller, being a Non-Resident Shareholder, shall obtain and enclose a letter from its authorized dealer/ bank confirming that at the time of acquiring the said Equity Shares, payment for the same was made by the such Eligible Seller from the appropriate account (e.g. NRE a/c.) as specified by RBI in its approval. In case the Eligible Seller, being a Non-Resident Shareholder, is not in a position to produce the said certificate, the Equity Shares would be deemed to have been acquired on non repatriation basis and in that case the such Eligible Seller shall submit a consent letter addressed to the Company allowing the Company to make the payment on a non-repatriation basis in respect of the valid Equity Shares accepted under the Buyback.
- (c) If any of the above stated documents, as applicable, are not enclosed along with the Tender Form, the Equity Shares tendered under the Buyback Offer are liable to be rejected.

**XXI. In case of non-receipt of this Letter of Offer:**

- a) In case the Equity Shares are in dematerialised form: An Eligible Seller may participate in the Offer by downloading the Tender Form from the website of the Company i.e., [www.mphasis.com](http://www.mphasis.com), or by providing their application in writing on plain paper, signed by all Eligible Sellers, stating its name and address, number of Equity Shares held as on the Record Date, Client ID number, DP Name/ ID, beneficiary account number and number of Equity Shares tendered for the Buyback.
- b) In case the Equity Shares are in physical form: An Eligible Seller may participate in the Offer by providing their application in writing on plain paper signed by all Eligible Sellers stating its name, address, folio number, number

of Equity Shares held, share certificate number, number of Equity Shares tendered for the Buyback Offer and the distinctive numbers thereof, enclosing the original share certificate(s), copy of Eligible Sellers' permanent account number card(s) and executed share transfer form in favour of the Company. The transfer form SH-4 is being sent along with the Tender Form. Eligible Sellers must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned in paragraph 22 (XIX)(a) above), reach the collection centres not later than two (2) days from the closing date i.e May 27, 2017 (by 5 PM). If the signature(s) of the Eligible Seller provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Company or are not in the same order (although attested), such applications are liable to be rejected under this Buyback Offer.

Please note that Eligible Seller(s) who intend to participate in the Buyback will be required to approach their respective Seller Member(s) (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Seller Member(s) in the electronic platform to be made available by BSE and NSE before the closing date.

The Company shall accept Equity Shares validly tendered by the Shareholder(s) in the Buyback on the basis of their shareholding as on the Record Date and the Buyback Entitlement. Eligible Seller(s) who intend to participate in the Buyback using the 'plain paper' option as mentioned in this paragraph are advised to confirm their entitlement from the Registrar to the Buyback Offer, before participating in the Buyback.

XXII. Non-receipt of this Letter of Offer by, or accidental omission to dispatch this Letter of Offer to any Eligible Seller, shall not invalidate the Buyback Offer in any way.

XXIII. The acceptance of the Buyback Offer made by the Company is entirely at the discretion of the Eligible Sellers of the Company. The Company does not accept any responsibility for the decision of any Eligible Seller to either participate or to not participate in the Buyback Offer. The Company will not be responsible in any manner for any loss of share certificate(s) and other documents during transit and the Eligible Sellers are advised to adequately safeguard their interest in this regard.

#### XXIV. Method of Settlement

Upon finalization of the basis of acceptance as per Buyback Regulations:

- a) The Company will pay the consideration pertaining to the Company's Broker which will transfer the funds pertaining to the Buyback to the Clearing Corporation's bank account as per the prescribed schedule. For Equity Shares accepted under the Buyback, Clearing Corporation will make direct funds payout to respective Eligible Sellers. If Eligible Sellers' bank account details are not available or if the funds transfer instruction is rejected by RBI/ Bank, due to any reason, then such funds will be transferred to the concerned Seller Members settlement bank account for onward transfer to their respective shareholders.
- b) The Equity Shares bought back in demat form would be transferred directly to the demat account of the Company opened for Buyback ("**Special Demat Account**") provided it is indicated by the Company's Broker or it will be

transferred by the Company's Broker to the Special Demat Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Stock Exchanges.

- c) The Eligible Sellers will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of shares under the Buyback.
- d) Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Sellers would be returned to Eligible Sellers by Clearing Corporation. Any excess physical Equity Shares pursuant to proportionate acceptance/ rejection will be returned back to the Eligible Sellers directly by the Registrar. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback by Eligible Sellers holding Equity Shares in the Physical form.

XXV. Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback. If Eligible Sellers bank account details are not available or if the fund transfer instruction is rejected by RBI or bank, due to any reasons, then the amount payable to Eligible Sellers will be transferred to the Seller Member for onward transfer to the Eligible Seller.

XXVI. Eligible Sellers who intend to participate in the Buyback should consult their respective Seller Member(s) for any cost, applicable taxes, charges and expenses (including brokerage) etc., that may be levied by the Seller Member(s) upon the selling shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the Eligible Sellers, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Eligible Sellers.

The Equity Shares lying to the credit of the Special Demat Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.

## **23. NOTE ON TAXATION**

Given below is a broad summarization of the applicable sections of the Income-tax Act, 1961 ("IT Act") relating to treatment of income-tax in case of buy back of listed equity shares, which is provided only as a guidance.

**THE COMPANY WOULD NOT BE LIABLE FOR ANY LOSS DUE TO ANY ACTION TAKEN BY ANY OF THE SHAREHOLDERS ON THE BASIS OF THE GUIDANCE PROVIDED HEREUNDER. THE SHAREHOLDERS ARE ADVISED TO OBTAIN APPROPRIATE ADVICE FROM THEIR TAX ADVISORS BEFORE TAKING ANY ACTION BASED ON THE GUIDANCE PROVIDED HEREUNDER**

### **I. CLASSIFICATION OF SHARES AND SHAREHOLDERS**

Based on the provisions of the IT Act shares can be classified under the following categories:

- Shares held as investment (Profits or gains arising from the transfer would be taxable under the head “Capital Gains”)
- Shares held as stock-in-trade (Profits or gains arising from the transfer would be taxable under the head “Profits and gains of business or profession”)

Based on the provisions of the IT Act, shareholders can be classified under the following categories:

(a) Resident shareholders being

- Individuals or Hindu Undivided Family (“HUF”)
- Others

(b) Non-Resident shareholders being

- Non-Resident Indians (NRIs)
- Foreign Institutional Investors (FIIs)
- Foreign Companies
- Others

## **II. DEFINITIONS**

Long-term capital asset means a capital asset which is not a short term capital asset.

Long-term capital gain means capital gain arising from the transfer of a long-term capital asset.

In case of a security (other than a unit) listed in a recognized stock exchange in India, an asset held by an assessee for a period not more than twelve months shall be considered as short-term capital asset.

Tax does not include applicable surcharge, education cess and secondary education cess.

## **III. SHARES HELD AS INVESTMENT**

- i. Capital gains on buy back of shares is governed by the provisions of Section 46A of the IT Act. As per the provisions of Section 46A, buy back of share, held as investment, would attract capital gains in the hands of shareholder subject to the provisions of Section 48 of the IT Act.

However, where the transaction of sale (buy-back) of such equity share is entered into in a recognized stock exchange and such transaction is chargeable to securities transaction tax, then,

- (a) the Long Term Capital Gains (“LTCG”) arising from such transaction would be exempt under Section 10(38) of the IT Act. Nonetheless, a transaction of sale need not be chargeable to securities transaction tax if it is undertaken on a recognized stock exchange located in any International Financial Services Centre and where the consideration for such transaction is paid or payable in



foreign currency. Further, it is Amended in the Finance Act, 2017 that exemption u/s 10(38) shall not apply if the transaction of acquisition, other than the acquisition notified by the Central Government in this behalf, of such equity share is entered into on or after the 1<sup>st</sup> day of October, 2004 and such transaction is not chargeable to securities transaction tax under Chapter VII of the Finance (No.2) Act, 2004; and

- (b) the Short Term Capital Gains (“STCG”) arising from such transaction would be subject to tax @15% under Section 111A of the IT Act. Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the tax on such STCG.

**ii. Buy back of shares other than through recognized stock exchange;**

Resident Shareholders:

- (a) For Individuals or HUF

LTTCG would be taxable at lower of the following:

- @ 20% (with indexation)
- @ 10% (without indexation) (Refer Note a)

The benefit of maximum amount which is not chargeable to income-tax is considered while computing the tax on such LTTCG. Therefore, where the total income as reduced by such LTTCG is below the maximum amount which is not chargeable to income tax, then, such LTTCG shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such LTTCG shall be computed at the respective rates.

STCG would be taxable at applicable slab rates.

- (b) For Others

LTTCG would be taxable at lower of following:

- @ 20% (with indexation)
- @ 10% (without indexation) (Refer Note a)

STCG would be taxable @ 30%

Non-resident Shareholders:

- (a) In case of FIIs:

- FIIs are taxable as per the provisions of Section 115AD of the IT Act, as under.
- LTTCG would be taxable @ 10%
- STCG would be taxable @ 30%

For the purposes of computing the capital gains neither the first proviso to Section 48 of the IT Act (providing for foreign exchange fluctuation benefit) nor the second proviso to Section 48 of the IT Act (providing for indexation benefit) would be considered.

- (b) In case of NRI's governed by the provisions of Chapter XII-A

- LTCG would be taxable @ 10% under Section 115E of the IT Act. The NRI has an option (prior information to the assessing officer) to be governed by the provisions of Chapter XII-A of the IT Act. However, it is imperative that the Shares of the Company were acquired in convertible foreign exchange. (Refer Note b)
- STCG would be taxable at slab rates

Please note that in case of NRIs not covered within the ambit of the above, their taxation shall be as applicable for other non-resident shareholders (i.e. paragraph (d) below).

(c) In case of Foreign Companies (excluding FIIIs)

- LTCG would be taxable, depending on whether the transaction is in foreign currency or in Indian currency.
- Where transaction is in foreign currency, LTCG would be taxable @ 20% (without indexation) – however, benefit of foreign exchange fluctuation as per first proviso to Section 48 of the IT Act shall be available.
- Where transaction is not in foreign currency, then benefit of indexation would apply and tax would be calculated at lower of
  - @ 20% (with indexation)
  - @ 10% (without indexation) (Refer Note c)
- STCG would be taxable @ 40%

(d) In case of all other non-residents

- LTCG would be taxable, depending on whether the transaction is in foreign currency or in Indian Currency.
- Where the Shares are purchased in foreign currency, LTCG would be taxable @ 20% (without indexation) – however, benefit of foreign exchange fluctuation as per first proviso to Section 48 of the IT Act shall be available in such a case.
- Where the shares are not purchased in foreign currency, then benefit of indexation would apply in case of LTCG and tax would be calculated at lower of:
  - @ 20% (with indexation)
  - @ 10% (without indexation) (Refer Note c)
- STCG would be taxable as per the slab rates or maximum marginal rate as applicable.

- (e) Where the gross total income of an assessee includes any income arising from the transfer of a long term capital asset, the gross total income shall be reduced by the amount of such income and the deduction under Chapter VI-A shall be allowed as if the gross total income as so reduced were the gross total income of the assessee.

Notes To Above:

- a. The proviso to Section 112 of the IT Act provides for beneficial tax rate on LTCG of 10%, without giving indexation benefit (as per second proviso to Section 48 of the IT Act).
- b. In the case of non-resident shareholders referred to in paragraph 3(iii)(c) and 3(iii)(d) above other than NRIs covered under the provisions of Section 115E of the IT Act and FIIs, the first proviso to Section 48 of the IT Act (providing for foreign exchange fluctuation benefit) would apply, where shares are purchased in foreign currency.
- c. It is pertinent to note that there are conflicting views on the applicability of proviso to Section 112 of the IT Act (providing for a beneficial rate of 10% when indexation under the second proviso to Section 48 of the IT Act) to non-residents.
- d. All the above rates (especially for non-residents) are to be read subject to the provisions of Section 206AA of the IT Act. The said section mandates furnishing of PAN to the deductor, failing which the tax would be required to be deducted at a higher amount by the deductor.
- e. In case of non-residents, the TDS rate shall be increased by surcharge and cess as applicable.

#### **IV. SHARES HELD AS STOCK IN TRADE**

- i. If the shares are held as stock-in-trade by any of the Shareholders of the Company, then the gains would be characterized as business income. In such a case, the provisions of Section 46A of the IT Act would not apply.
- ii. Resident Shareholders:
  - (a) For individuals or HUF and in any other case of a resident profits would be taxable at slab rates
  - (b) For domestic companies profits would be taxable @ 30%. However, it is Amended in the Finance Act, 2017 that profits of a domestic company having its total turnover or gross receipts in the previous year 2015-16 not exceeding fifty crore rupees, shall be taxable at 25%.

No benefit of indexation by virtue of period of holding would be available in any case.

- iii. Non-Resident Shareholders:
  - (a) For non-residents (excluding FIIs<sup>1</sup>), taxability of profits as business income would be subject to beneficial provisions of applicable Double Taxation Avoidance Agreement ('DTAA').
  - (b) Where DTAA provisions are not applicable:
    - For non-resident individuals or HUF profits would be taxable at slab rates
    - For foreign companies, profits would be taxed in India @ 40%

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<sup>1</sup> Securities held by FIIs to be regarded as capital asset and would be subject to capital gains tax.

## V. TAX DEDUCTION AT SOURCE

### i. In case of Resident Shareholders:

In absence of any specific provision under the IT Act, the Company shall not deduct tax on the consideration payable to resident shareholders pursuant to the said Buy Back.

### ii. In case of FIIIs:

As per the provisions of section 196D(2) of the IT Act, no deduction of tax at source is required to be made by the Company, from income by way of capital gains arising from transfer of listed securities payable to a FII as defined in Section 115AD of the IT Act.

### iii. In case of Non-Resident Shareholders, including NRIs:

(a) As per the provisions of Section 195(1) of the IT Act, any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at the prescribed rate (including applicable surcharge).

(b) The consideration payable under the Buy Back Offer would be chargeable to tax as capital gains or business profits, as the case may be.

(c) In order to determine the tax implications of Buy Back Offer, it is advised to consult your tax advisors for the applicable tax provisions including the treatment that may be given by your respective assessing officers in your case, and the appropriate course of action that you should take including submitting any documents to the Company for the purpose of deduction of tax.

(d) The Company shall deduct tax at the prescribed rates (including applicable surcharge) for each category of shareholder, on the gross consideration payable to such non-resident shareholders, based on the information submitted along with the Tender Form.

(e) In case of any ambiguity, incomplete or conflicting information or information not being provided to the Company by the Non-resident Shareholder, the tax shall be deducted at the maximum rate prescribed for such non-resident shareholder.

(f) If the Non-resident Shareholder requires the Company not to deduct tax, or to deduct tax at a lower rate, or on a lower amount, for any reason, they would need to obtain a certificate from the Income-tax authorities, either under Section 195(3) or under Section 197 of the IT Act, and submit the same to Company while submitting the Tender Form. In absence of such certificate from the Income tax authorities, the Company shall deduct tax on gross consideration at the prescribed rate of tax.

(g) Where Non-resident Shareholder is tax resident of a country which has entered into a DTAA with India, it may be possible for the Non-Resident Shareholder to avail the beneficial provisions, if any, under the DTAA. If the Non-resident Shareholder opts to avail the beneficial provisions as per DTAA, a tax residency certificate of such person from the tax authorities of the country of which such person is the tax resident and prescribed Form 10F, along with all the other prescribed information, should be submitted along with the Tender

Form. In absence of such certificate, the Company shall deduct the tax as per paragraph 5(iii) (a) to 5(iii) (f) above.

- (h) In case of a NRI, where it is claimed that he is governed by the provisions of Section 115E of the IT Act, he should submit the relevant information as requested in the Tender Form, along with documents in support thereof and to the satisfaction of the Company. In case the information and documents are not submitted or the Company is not satisfied regarding the same, then the rate of tax would be that as applicable to any other non-residents.

These can either be documents proving that the Shares were purchased by the Shareholders either from foreign remittance or from funds lying in the NRE account or FCNR account and that these shares have been declared as such in the return of income filed by the shareholders.

iv. Other Information:

- (a) For the purpose of determining as to whether the capital gains are short-term or long- term in nature:

- As per the provisions of the IT Act, where a capital asset (being equity shares of the Company being bought back in the instant case) is held for a period of less than or equal to 12 months prior to the date of transfer, the same shall be treated as a short term capital asset, and the gains arising there from shall be taxable as short term capital gains.
- Similarly, where a capital asset is held for a period of more than 12 months prior to the date of transfer, the same shall be treated as a long term capital asset, and the gains arising there from shall be taxable as long term capital gains.
- The Company will rely on the information provided by the Equity Shareholder as to whether the capital asset being equity shares of the Company constitute short term or long term capital asset for the shareholder, for the purpose of deduction of taxes at source.
- Where the information provided by the Equity Shareholder is ambiguous, incomplete or conflicting or the information is not available with the Company regarding the same, the capital gain shall be assumed to be short term in nature.

- (b) If the Company becomes liable to pay interest for delay in release of Buy back consideration to non-resident shareholders, such shareholders will be required to submit a certificate for deduction of tax at Nil/lower rate from the income tax authorities under the IT Act indicating the amount of tax to be deducted by the Company before remitting the interest, failing which the Company will arrange to deduct tax at the applicable rate as may be applicable to the relevant category to which the shareholder belongs under the IT Act, on the interest payment.

- (c) If the Company becomes liable to pay interest for delay in release of Buy back consideration to resident shareholder, tax will be deducted on the interest component exceeding Rs.5,000/- at the applicable rates. If the resident shareholder requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, such shareholders will be required to

submit a certificate for deduction of tax at Nil/lower rate from the Income tax authorities under the IT Act indicating the amount of tax to be deducted by the Company.

- (d) Non-Resident Shareholders (including FIIs) are required to submit their PAN for income tax purposes. In case of Non-Residents (including FIIs), if PAN is not submitted or is invalid or does not belong to the Shareholder, Company will deduct tax @ 20% (twenty percent) or at the rate in force or at the rate specified in the relevant provisions of the IT Act, whichever is higher, in accordance with provisions of Section 206AA of the IT Act. However, as per sub-rule (1) of Rule 37BC, Section 206AA shall not apply to a non-resident, not being a company or to a foreign company if the details and documents specified in sub-rule (2) of the said rule are furnished by the shareholder to the Company.
- (e) The company shall issue a certificate in the prescribed form to the shareholders (resident and non-resident) who have been paid the consideration after deduction of taxes on the same certifying the amount of tax deducted and other prescribed particulars.
- (f) For the purpose of computing the tax deduction at source, shareholders who wish to tender their shares must submit the information as required along with the Tender Form.
- (g) The tax deducted under this Offer is not the final liability of the shareholders or in no way discharge the obligation of shareholders to disclose the amount received in pursuant to this Buy Back Offer.
- (h) If for any reason, the income tax department raises a vicarious liability on the Company and seeks to recover the tax on the transaction (which is actually tax liability of the shareholder) from the Company, the shareholder agrees to indemnify the Company for the same.

Notes:

- i. All the above benefits are as per the current tax laws. However, any further change or amendment in the laws /regulation would impact the same.
- ii. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investments in the shares of the company.

The above Statement of Possible Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

**THE COMPANY WOULD NOT BE LIABLE FOR ANY LOSS DUE TO ANY ACTION TAKEN BY ANY OF THE SHAREHOLDERS ON THE BASIS OF THE GUIDANCE PROVIDED HEREINABOVE. THE SHAREHOLDERS ARE ADVISED TO OBTAIN APPROPRIATE ADVICE FROM THEIR TAX ADVISORS BEFORE TAKING ANY ACTION.**

## 24. DECLARATION BY THE BOARD OF DIRECTORS

Declaration as required under clause (ix) and clause (x) of Part A of Schedule II to the Buy Back Regulations:

The Board of Directors of the Company confirms that there are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of term loans or interest payable thereon to any financial institution or banks.

The Board of Directors of the Company confirms that it has made a full inquiry into the affairs and prospects of the Company and has formed the opinion that:

1. Immediately following the date of the Board Meeting i.e., 31 January 2017, and the date on which results of shareholders resolution passed by way of postal ballot (including e-voting) is declared, i.e. March 13, 2017 approving the Buy-back, there will be no grounds on which the Company could be found unable to pay its debts.
2. As regards the Company's prospects for the year immediately following the date of the Board Meeting i.e., 31 January 2017, as well as for the year immediately following the date on which results of shareholders resolution passed by way of postal ballot (including e-voting) were declared, having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one (1) year from the date of the Board Meeting as also from the date of special resolution passed by way of postal ballot (including e-voting); and
3. In forming their opinion for the above purposes, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Companies Act.

This declaration is made and issued under the authority of the Board in terms of the resolution passed at the meeting held on January 31, 2017.

For and on behalf of the Board of Directors of Mphasis Limited,

Sd/- <b>Davinder Singh Brar</b> Chairman	Sd/- <b>Nitin Rakesh</b> CEO and Whole time Director
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## 25. AUDITORS CERTIFICATE

The text of the report dated January 31, 2017 received from S.R. Batliboi & Associates LLP, Chartered Accountants, the Statutory Auditors of the Company addressed to the Board of Directors is given below:

Quote

“Independent Auditor’s Report on buy back of shares pursuant to the requirement of Schedule II to the Securities and Exchange Board of India (Buy-back of Securities) (Amendment) Regulations, 1998, as amended

To

*The Board of Directors*

*Mphasis Limited*

*Bagmane World Technology Center,*

*Marathahalli Outer Ring Road,*

*Doddanakhundi Village,*

*Mahadevapura,*

*Bengaluru - 560 048.*

- 1. This Report is issued in accordance with the terms of our service scope letter dated January 27, 2017 and master engagement agreement dated June 12, 2015 with Mphasis Limited.*
- 2. In connection with the proposal of Mphasis Limited (the “Company”), and as approved by its Board of Directors at its meeting held on January 31, 2017, which is subject to the approval of the shareholders of the Company to buy back its equity shares and in pursuance of the provisions of Section 68 and 70 of the Companies Act, 2013 (‘the Act’) and Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998, as amended (‘the Regulations’), we have been engaged by the Company to perform a reasonable assurance engagement on the reporting criteria, specified in paragraph 5 of this report.*

**Board of Directors Responsibility for the Statement**

- 3. The preparation of the Statement of determination of permissible capital payment towards Buyback of Equity Shares (the “Statement”), as set out in Annexure A hereto, initialled by us for identification purposes only, is the responsibility of the Board of Directors of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.*
- 4. The Board of Directors are responsible to make a full inquiry into the affairs and prospectus of the Company and to form an opinion that the Company will not be rendered insolvent within a period of one year from the date on which the results of the postal ballot for Buyback of its Equity shares will be declared.*

**Auditor’s Responsibility**

- 5. Pursuant to the requirements of the Regulations, it is our responsibility to provide reasonable assurance on the following “Reporting Criteria”:*



- (i) *Whether the amount of capital payment for the Buyback is within the permissible limit and computed in accordance with the provisions of Section 68 of the Act;*
  - (ii) *Whether the Board of Directors has formed their opinion, as specified in Clause (x) of Part A of Schedule II of the Regulations, on a reasonable grounds that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from the date on which the results of the postal ballot for Buyback of its Equity shares will be declared;*
  - (iii) *Whether we are aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.*
- 6. *The interim condensed standalone financial statements for the nine months ended December 31, 2016 had been audited by us on which we had issued an unmodified audit opinion vide our report dated January 31, 2017. Our audit of these interim condensed standalone financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.*
- 7. *We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.*
- 8. *We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.*
- 9. *A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting criteria mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated with the Reporting Criteria. We have performed the following procedures in relation to the Statement:*
  - i) We have inquired into the state of affairs of the Company in relation to its audited interim condensed standalone financial statements for the nine months ended December 31, 2016;*
  - ii) Examined authorization for buyback from the Articles of Association of the Company;*
  - iii) Examined that the amount of capital payment for the Buyback as detailed in Annexure A is within permissible limit computed in accordance with section 68 of the Act;*
  - iv) Examined that the ratio of debt owned by the Company, is not more than twice the paid up equity share capital and its free reserve after such Buyback;*

- v) Examined that all Equity shares for Buyback are fully paid-up;
- vi) Examined resolutions passed in the meetings of the Board of Directors;
- vii) Examined Director's declarations for the purpose of buy back and solvency of the Company;
- viii) Obtained necessary representations from the management of the Company.

### **Opinion**

Based on our examination and procedures performed by us as mentioned above, and the information and explanations given to us, in our opinion, the permissible capital payment towards Buyback of Equity shares, as stated in Annexure A, is properly determined in accordance with Section 68 of the Act; and the Board of Directors, in their meeting held on January 31, 2017, have formed their opinion, as specified in clause (x) of Part A of Schedule II of the Regulations, on reasonable grounds, that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date on which the results of the postal ballot for Buyback of its Equity shares will be declared; and we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

### **Restriction on Use**

10. This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Regulations solely to enable them to include it (a) in the explanatory statement to be included in the postal ballot notice to be circulated to the shareholders, (b) in the public announcement to be made to the Shareholders of the Company, (c) in the draft letter of offer and letter of offer to be filed with the Securities and Exchange Board of India, the stock exchanges, the Registrar of Companies as required by the Regulations, the National Securities Depository Limited and the Central Depository Securities (India) Limited, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

**Sd/-**

**per Adarsh Ranka**

Partner

Membership Number: 209567

Place of Signature: Bengaluru

Date: January 31, 2017

### **Annexure A**

**Statement of determination of the permissible capital payment towards Buyback of Equity Shares ("the Statement") in accordance with Section 68 (2) (b) and (c) of the Companies Act, 2013**

<b>Particulars</b>	<b>Amount (Rs. in million)</b>
Total paid up equity share capital as at December 31, 2016* 210,384,405 equity shares of Rs. 10 each, fully paid up	2,103.91
Free reserves as per audited standalone financial statements as at December 31, 2016*:	
Net surplus in the statement of profit and loss	34,437.78
General Reserves	5,949.10
Securities Premium account	1,642.59
<b>Total of paid up equity capital and free reserves as at December 31, 2016</b>	<b>44,133.38</b>
Permissible capital payment towards Buyback of Equity Shares in accordance with Section 68 (2) (b) and (c) of the Companies Act, 2013 (25% of paid up equity capital and free reserves)	11,033.35

\*Calculation in respect to the Buyback is done on basis of interim condensed standalone audited financial statements of the Company as of and for the nine months ended December 31, 2016.

For Mphasis Limited  
Sd/-  
V Suryanarayanan  
EVP & Chief Financial Officer  
Place : Bengaluru  
Date : January 31, 2017

Unquote

## 26. DOCUMENTS FOR INSPECTION

The following material documents will be available for inspection by the shareholders of the Company at its Registered Office at Bagmane World Technology Center, Marathalli Outer Ring Road, Doddanakhundi Village, Mahadevapura, Bengaluru - 560 048, India between 10 a.m. and 5.00 p.m. on all working days (Monday to Friday) during the offer period:

- (i) Copy of certificate of incorporation and Memorandum and Articles of Association of the Company.
- (ii) Copy of annual reports of the Company for the financial years ended March 31, 2016, March 31, 2015, five (5) months ended March 31, 2014 and twelve (12) months ended October 31, 2013 and the audited financial statements for the nine (9) months ended December 31, 2016.
- (iii) Copy of resolution passed by the Board of Directors at their meeting held on January 31, 2017 approving the proposal of the Buyback.
- (iv) Copy of resolution passed by the Board of Directors at their meeting held on January 31, 2017 constituting the Buyback Committee
- (v) Copy of the certificate dated January 31, 2017 received from S.R. Batliboi & Associates LLP, the Statutory Auditors of the Company, in terms of clause (xi) of Part A to Schedule II of the Buyback Regulations.
- (vi) Copy of the postal ballot notice dated 31 January 2017, along with the explanatory statement.
- (vii) Copy of the special resolution passed by the shareholders of the Company by way of postal ballot, the results of which were announced on March 13, 2017.

- (viii) Copy of the resolution passed by the Buyback Committee dated March 14, 2017 approving the Public Announcement, fixing the Record Date and the Buyback Price.
- (ix) Copy of Public Announcement dated March 14, 2017 published in the newspapers on March 15, 2017 regarding Buyback.
- (x) Copy of declaration of solvency and an affidavit in Form SH-9 as prescribed under Section 68(6) of the Companies Act.
- (xi) Copy of the certificate from Gnaneshwar & Co, Chartered Accountants, dated April 22, 2017 certifying that the Company has made firm financing arrangements for fulfilling the obligations under the Buyback, in accordance with the Regulations.
- (xii) Copy of the Escrow Agreement dated March 18, 2017 between Mphasis Limited, ICICI Bank Limited and JM Financial Institutional Securities Limited.
- (xiii) Copy of the Bank Guarantee issued by Kotak Mahindra Bank Limited in favour of the Manager to the Offer i.e., JM Financial Institutional Securities Limited.
- (xiv) Copy of the confirmation letter by the Escrow Bank for opening of Escrow Account deposit of Escrow Amount.
- (xv) Copy of the SEBI observation letter dated April 24, 2017, bearing reference SEBI/HO/CFD/DCR1/OW/P/2017/9246/1.

## **27. DETAILS OF THE COMPLIANCE OFFICER**

Mr. A Sivaram Nair,  
Executive Vice President, Company Secretary, General Counsel & Ethics Officer, Mphasis Limited,  
Bagmane World Technology Center, Marathalli Outer Ring Road,  
Doddanakhundi Village, Mahadevapura, Bengaluru - 560 048 India.  
Tel: +91 80 6750 1000; +91 80 6750 4613  
Fax: +91 80 6695 9943  
Email: [sivaram.nair@mphasis.com](mailto:sivaram.nair@mphasis.com)

Investors may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays.

## **28. DETAILS OF THE REMEDIES AVAILABLE TO THE EQUITY SHAREHOLDERS**

- I. In case of any grievances relating to the Buyback (e.g. non-receipt of the Buyback consideration, share certificate, demat credit, etc.), the investor can approach the Compliance Officer as per the details mentioned above and/ or the Registrar to the Buyback and/ or Manager to the Buyback for redressal as per the details mentioned in paragraphs 29 and 30 of this Letter of Offer, respectively.
- II. If the Company makes any default in complying with the provisions of Sections 68, 69 and 70 of the Companies Act or the Rules made thereunder, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Companies Act, as the case may be.
- III. The address of the concerned office of the Registrar of Companies is as follows:


**The Registrar of Companies, Karnataka, Bengaluru**  
'E' Wing , 2<sup>nd</sup> Floor  
Kendriya Sadan  
Koramangala, Bengaluru - 560034, India.

## 29. DETAILS OF INVESTOR SERVICE CENTRE


In case of any query, the Equity Shareholders may contact the Registrar to the Buyback on any day except Saturday, Sunday and Public holidays between 10.00 a.m. to 5.00 p.m. at the following address:

	<p><b>Integrated Registry Management Services Private Limited</b> 30 Ramana Residency 4th Cross, Sampige Road Malleswaram, Bengaluru – 560 003. <b>Tel:</b> +91 80 23460815-818 <b>Fax:</b> +91 80 23460819 <b>Email:</b> giri@integratedindia.in <b>Website:</b> <a href="http://www.integratedindia.in">www.integratedindia.in</a> <b>Contact Persons:</b> Mr. S.Vijayagopal/ Mr. S. Giridhar <b>SEBI Registration. No.:</b> INR000000544 <b>Corporate Identity Number:</b> U74900TN2015PTC101466</p>
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## 30. DETAILS OF THE MANAGER TO THE BUY BACK

	<p><b>JM Financial Institutional Securities Limited</b> 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400025, Maharashtra, India.</p> <p><b>Tel.:</b> +91 22 6630 3030 <b>Fax:</b> +91 22 6630 3330 <b>Contact Person:</b> Ms. Prachee Dhuri <b>Email:</b> mphasis.buyback@jmfl.com <b>Website:</b> <a href="http://www.jmfl.com">www.jmfl.com</a> <b>SEBI Registration. No.:</b> INM000010361 <b>Corporate Identity Number:</b> U65192MH1995PLC092522</p>
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## 31. DOMESTIC LEGAL COUNSEL TO THE BUYBACK

	<p><b>Shardul Amarchand Mangaldas &amp; Co. Advocates and Solicitors</b> Amarchand Towers, 216 Okhla Industrial Estate, Phase III, New Delhi - 110 020, India.</p> <p><b>Tel.:</b> +91 11 4159 0700 <b>Fax:</b> +91 11 2692 4900 <b>Contact Person:</b> Mr. Raghubir Menon/Mr. Yogesh Chande</p>
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**32. DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE LETTER OF OFFER.**

As per Regulation 19(1)(a) of the Buyback Regulations, the Board of Directors of the Company accept full responsibility for the information contained in this Letter of Offer and confirms that the information in this Letter of Offer contain true, factual and material information and does not contain any misleading information. This Letter of Offer is issued under the authority of the Board of Directors and in terms of the resolution passed by the Board on 31 January, 2017.

**For and on behalf of the Board of Directors of Mphasis Limited**

Sd/-	Sd/-	Sd/-
<b>Nitin Rakesh</b> CEO and Wholetime Director DIN: 00042261 Place: USA – Chicago	<b>Amit Dalmia</b> Director DIN: 05313886 Place: India - Mumbai	<b>A Sivaram Nair</b> EVP, Company Secretary, General Counsel and Ethics Officer Place: India - Bengaluru

Date: April 27, 2017

**FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT  
(FOR EQUITY SHAREHOLDERS HOLDING SHARES IN DEMATERIALIZED FORM)**

Bid Number: \_\_\_\_\_

Date: \_\_\_\_\_

BUYBACK OPENS ON:	May 12, 2017
BUYBACK CLOSES ON:	May 25, 2017

For Registrar / collection centre use		
Inward No.	Date	Stamp

To,  
The Board of Directors  
**Mphasis Limited**  
C/o Integrated Registry Management Services Private Limited  
30 Ramana Residency, 4th Cross Sampige Road,  
Malleswaram -Bengaluru - 560 003  
Tel: +91 80 23460815/16/17/18  
Fax: +91 80 23460819

Status (please tick appropriate box)					
<input type="checkbox"/>	Individual	<input type="checkbox"/>	FII	<input type="checkbox"/>	Mutual Funds
<input type="checkbox"/>	Foreign Co.	<input type="checkbox"/>	NRI/OCB	<input type="checkbox"/>	FVCI
<input type="checkbox"/>	Body Corporate	<input type="checkbox"/>	Bank/FI/Insurance Co.	<input type="checkbox"/>	Pension / PF
<input type="checkbox"/>	VCF	<input type="checkbox"/>	Partnership/LLP	<input type="checkbox"/>	Others (specify)
<b>India Tax Residency Status: Please tick appropriate box</b>					
<input type="checkbox"/>	Resident in India	<input type="checkbox"/>	Non-Resident in India	<input type="checkbox"/>	Resident of ..... (Shareholder to fill the country of residence)

Dear Sirs,

**Sub: Letter of Offer dated April 27, 2017 to Buyback upto 17,370,078 Equity Shares of Mphasis Limited (the "Company") at a price of Rs. 635/- (Rupees Six Hundred and Thirty Five only) per Equity Share ("Buyback Price"), payable in cash**

- I / We (having read and understood the Letter of Offer dated April 27, 2017) hereby tender / offer my / our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
- I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Shares.
- I / We hereby affirm that the Equity Shares comprised in this tender / offer offered for Buyback by me / us are free from all liens, equitable interest, charges and encumbrance.
- I / We declare that there are no restraints / injunctions or other order(s) of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback Offer and that I / we am / are legally entitled to tender the Equity Shares for Buyback.
- I / We agree that the consideration for the accepted Shares will be paid as per the provisions of Buyback Regulations and circulars issued by SEBI.
- I/We agree that the excess demat Equity Shares or unaccepted demat Shares, if any, tendered would be returned as per the provisions of Buyback Regulations and circulars issued by SEBI.
- I / We undertake to return to the Company if any Buyback consideration that may be wrongfully received by me / us.
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Companies Act and the Buyback Regulations.
- Details of Equity Shares held and tendered / offered for Buyback:

Particulars	In Figures	In Words
Number of Equity Shares held as on Record Date (March 31, 2017)		
Number of Equity Shares Entitled for Buyback (Buyback Entitlement)		
Number of Equity Shares offered for Buyback		
• Number of Equity Shares held for a period more than 12 months		
• Number of Equity Shares held for a period less than or equal to 12 months		

Note: An Eligible Seller may tender Equity Shares over and above his / her Buyback Entitlement. Number of Equity Shares validly tendered by any Eligible Seller up to the Buyback Entitlement of such Eligible Seller shall be accepted to the full extent. The Equity Shares tendered by any Eligible Seller over and above the Buyback Entitlement of such Eligible Seller shall be accepted in accordance with Paragraph 21 of the Letter of Offer. Equity Shares tendered by any Eligible Seller over and above the number of Equity Shares held by such Equity Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.



Tear along this line



**Acknowledgement Slip: MPHASIS BUYBACK OFFER 2017**

*(To be filled by the Equity Shareholder) (Subject to verification)*

Folio No./DP ID No.: \_\_\_\_\_

Client ID No.: \_\_\_\_\_

Received from Mr. /Ms. /M/s. \_\_\_\_\_

Form of Acceptance-cum-Acknowledgement, Original TRS along with:

No. of Equity Shares offered for Buyback (In Figures) \_\_\_\_\_

(In Words) \_\_\_\_\_

**STAMP OF BROKER**

Please quote DP ID No. & Client ID No. for all future correspondence



10. Details of Account with Depository Participant (DP):

Name of the Depository (tick whichever is applicable)	<input type="checkbox"/> NSDL	<input type="checkbox"/> CDSL
Name of the Depository Participant		
DP ID No.		
Client ID No. with the DP		

11. Equity Shareholders Details:

Particulars	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s) of the Holder				
Signature(s)*				
PAN No.				
Address of the Sole/First Eligible Seller				
Telephone No. / E-mail ID				

\*Corporate must affix rubber stamp and sign under valid authority. The Corporate Authorisation should be enclosed with the application form submitted.

12. Applicable for all Non-resident shareholders

I / We undertake to pay income taxes in India on any income arising on such Buyback and taxable in accordance with prevailing income tax laws in India within 7th day of the succeeding month in which the Shares are bought back by the Company. I / We also undertake to indemnify the Company against any income tax liability on any income earned on such Buyback of shares by me / us. Details of bank account of the sole or first Shareholder to be incorporated in the consideration warrant (to be mandatorily filled).

**Instructions**

1. The Buyback will open on May 12, 2017 and close on May 25, 2017.
2. This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form.
3. The Equity Shares tendered in the Buyback shall be rejected if (i) the shareholder is not a shareholder of the Company as on the Record Date; or (ii) if there is a name mismatch in the demat account of the shareholder; or (iii) in case of receipt of completed tender application form but non receipt of shares in the special account of the clearing corporation or non receipt of bid in the exchange bidding system.
4. The Eligible Sellers will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to the Buyback being on a proportionate basis in terms of the Ratio of Buyback.
5. Eligible Sellers to whom the Buyback offer is made are free to tender Equity Shares to the extent of their Buyback Entitlement in whole or in part or in excess of their entitlement.
6. For the procedure to be followed by Equity Shareholders for tendering in the Buyback, please refer to Paragraph 21 of the Letter of Offer.
7. All documents sent by Eligible Sellers will be at their own risk. Eligible Sellers are advised to safeguard adequately their interests in this regard.

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ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR CLIENT ID NO. AND DP ID NO.:

**INVESTOR SERVICE CENTRE, MPHASIS BUYBACK OFFER 2017**  
**Integrated Registry Management Services Private Limited**  
 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru - 560 003.  
**Contact person:** Mr. S.Vijayagopal/ Mr. S. Giridhar  
**E-mail:** giri@integratedindia.in; **Website:** www.integratedindia.in  
**Tel:** +91 80 23460815, 23460816, 23460817 and 23460818; **Fax:** +91 80 23460819

**FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT  
(FOR EQUITY SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM)**

Bid Number: \_\_\_\_\_

Date: \_\_\_\_\_

BUYBACK OPENS ON:	May 12, 2017
BUYBACK CLOSES ON:	May 25, 2017

For Registrar / collection centre use		
Inward No.	Date	Stamp

To,  
The Board of Directors  
**Mphasis Limited**  
C/o Integrated Registry Management Services Private Limited  
30 Ramana Residency, 4th Cross Sampige Road,  
Malleswaram -Bengaluru - 560 003  
Tel: +91 80 23460815/16/17/18  
Fax: +91 80 23460819

Status (please tick appropriate box)					
<input type="checkbox"/>	Individual	<input type="checkbox"/>	FII	<input type="checkbox"/>	Mutual Funds
<input type="checkbox"/>	Foreign Co.	<input type="checkbox"/>	NRI/OCB	<input type="checkbox"/>	FVCI
<input type="checkbox"/>	Body Corporate	<input type="checkbox"/>	Bank/FI/Insurance Co.	<input type="checkbox"/>	Pension / PF
<input type="checkbox"/>	VCF	<input type="checkbox"/>	Partnership/LLP	<input type="checkbox"/>	Others (specify)
India Tax Residency Status: Please tick appropriate box					
<input type="checkbox"/>	Resident in India	<input type="checkbox"/>	Non-Resident in India	<input type="checkbox"/>	Resident of ..... (Shareholder to fill the country of residence)

Dear Sirs,

**Sub: Letter of Offer dated April 27, 2017 to Buyback upto 17,370,078 Equity Shares of Mphasis Limited (the "Company") at a price of Rs. 635/- (Rupees Six Hundred and Thirty Five only) per Equity Share ("Buyback Price"), payable in cash**

- I / We (having read and understood the Letter of Offer dated April 27, 2017) hereby tender / offer my / our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
- I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Shares.
- I / We hereby affirm that the Equity Shares comprised in this tender / offer are offered for Buyback by me / us free from all liens, equitable interest, charges and encumbrance.
- I / We declare that there are no restraints / injunctions or other order(s) of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback Offer and that I / we am / are legally entitled to tender the Equity Shares for Buyback.
- I / We agree that the consideration for the accepted Shares will be paid as per the provisions of Buyback Regulations and circulars issued by SEBI.
- I / We undertake to return to the Company any Buyback consideration that may be wrongfully received by me / us.
- I / We agree that the Company is not obliged to accept any Equity Shares offered for Buyback where loss of share certificates has been notified to the Company.
- I / We agree that the Company will pay the Buyback Price only after due verification of the validity of the documents and that the consideration may be paid to the first named Eligible Seller.
- I / We authorize the Company to split the Share Certificate and issue new consolidated Share Certificate for the unaccepted Equity shares in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Companies Act and the Buyback Regulations.
- Details of Equity Shares held and tendered / offered for Buyback

Particulars	In Figures	In Words
Number of Equity Shares held as on Record Date (March 31, 2017)		
Number of Equity Shares Entitled for Buyback (Buyback Entitlement)		
Number of Equity Shares offered for Buyback		
• Number of Equity Shares held for a period more than 12 months		
• Number of Equity Shares held for a period less than or equal to 12 months		

Note: An Eligible Seller may tender Equity Shares over and above his / her Buyback Entitlement. Number of Equity Shares validly tendered by any Eligible Seller up to the Buyback Entitlement of such Eligible Seller shall be accepted to the full extent. The Equity Shares tendered by any Eligible Seller over and above the Buyback Entitlement of such Eligible Seller shall be accepted in accordance with Paragraph 21 of the Letter of Offer. Equity Shares tendered by any Eligible Seller over and above the number of Equity Shares held by such Equity Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

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**Acknowledgement Slip: MPHASIS BUYBACK OFFER 2017**  
(To be filled by the Equity Shareholder) (Subject to verification)

Ledger Folio No. \_\_\_\_\_

Received from Mr./Ms./M/s. \_\_\_\_\_

Form of Acceptance-cum-Acknowledgement, Original TRS along with:

No. of Equity Shares offered for Buyback (In Figures) \_\_\_\_\_

(In Words) \_\_\_\_\_

Please quote Ledger Folio No. for all future correspondence

<b>STAMP OF BROKER</b>

12. Details of Share Certificate(s) enclosed : Total No. of Share Certificates Submitted:

Sr. No.	Folio No.	Share Certificate No.	Distinctive No(s)		No. of Shares
			From	To	
1					
2					
3					
4					
<b>Total</b>					

In case the number of folios and share certificates enclosed exceed 4 nos., Please attach a separate sheet giving details in the same format as above

13. Details of the bank account of the sole or first Shareholder to be incorporated in the consideration warrant (to be mandatorily filled):

Name of the Bank	Branch and City	IFSC and MICR Code	Account Number (indicate type of account)

14. Details of other Documents (Please ✓ as appropriate, if applicable) enclosed:

- Power of Attorney     Corporate authorisation     Permanent Account Number (PAN Card) (Self Attested)  
 Succession Certificate     TRS     Others (please specify): \_\_\_\_\_

15. Equity Shareholders Details:

Particulars	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s) of the Holder				
Signature(s)*				
PAN No.				
Address of the Sole / First Equity Shareholder				
Telephone No. / E-mail ID				

\*Corporate must affix rubber stamp

16. Applicable for all Non-resident shareholders - I/ We undertake to pay income taxes in India on any income arising on such Buyback and taxable in accordance with the prevailing income tax laws in India within 7th day of the succeeding month in which the shares are bought back by the Company. I/ We also undertake to indemnify the Company against any income tax liability on any income earned on such Buyback of shares by me/ us.

**Instructions**

- The Buyback will open on May 12, 2017 and close on May 25, 2017.
- This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form.
- Eligible Sellers who wish to tender their Equity Shares in response to this Buyback should deliver the following documents so as to reach before the close of business hours to the Registrar (as mentioned in the Letter of Offer) on or before May 27, 2017 by 5 PM (i) The relevant Tender Form duly signed by all Eligible Sellers in case shares are in joint names) in the same order in which they hold the Equity Shares; (ii) Original Equity Share certificates; (iii) Self attested copy of the Permanent Account Number (PAN) Card; (iv) Transfer deed (Form SH 4) duly signed (by all Eligible Sellers in case Equity Shares are held jointly) in the same order in which they hold the Equity Shares.
- Eligible Sellers should also provide all relevant documents in addition to the above documents, which include but are not limited to: (i) Duly attested power of attorney registered with the Registrar, if any person other than the Eligible Seller has signed the relevant Tender Form; (ii) Duly attested death certificate / succession certificate in case any Eligible Seller is deceased; and (iii) Necessary corporate authorisations, such as Board Resolutions etc., in case of companies.
- Eligible Sellers to whom the Buyback offer is being made are free to tender Equity Shares to the extent of their entitlement in whole or in part or in excess of their entitlement.
- All documents sent by the seller member/ custodian will be at their own risk and the seller member/ custodian is advised to adequately safeguard their interests in this regard. For the procedure to be followed by Equity Shareholders for tendering in the Buyback Offer, please refer to Paragraph 21 of the Letter of Offer.
- All documents as mentioned above, shall be enclosed with the valid Tender Form, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company's equity share certificate enclosed with the Tender Form instead of the Equity Share certificate of the Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Sellers; (iii) If the Eligible Sellers tender Equity Shares but the Registrar does not receive the Equity Share certificate by May 27, 2017; (iv) In case the signature on the Tender Form and Form SH 4 doesn't match as per the specimen signature recorded with Company/Registrar.

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ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR LEDGER FOLIO NO.:

**INVESTOR SERVICE CENTRE, MPHASIS BUYBACK OFFER 2017**  
**Integrated Registry Management Services Private Limited**  
 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru - 560 003.  
**Contact person:** Mr. S.Vijayagopal/ Mr. S. Giridhar  
**E-mail:** giri@integratedindia.in; **Website:** www.integratedindia.in  
**Tel:** +91 80 23460815, 23460816, 23460817 and 23460818; **Fax:** +91 80 23460819

# FORM NO. SH-4 - SECURITIES TRANSFER FORM

[Pursuant to section 56 of the Companies Act, 2013 and sub-rule (1) of rule 11 of the Companies (Share Capital and Debentures) Rules 2014]

Date of execution: ..... / ..... / .....

**FOR THE CONSIDERATION** stated below the "Transferor(s)" named do hereby transfer to the "Transferee(s)" named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said securities subject to the conditions aforesaid.

CIN: 

L	3	0	0	0	7	K	A	1	9	9	2	P	L	C	0	2	5	2	9	4
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Name of the company (in full) : **MPHASIS LIMITED**

Name of the Stock Exchange where the company is listed, if any : **BSE Limited and National Stock Exchange of India Limited**

## DESCRIPTION OF SECURITIES:

Kind / Class of securities (1)	Nominal value of each unit of security (2)	Amount called up per unit of security (3)	Amount paid up per unit of security (4)
Equity Share	Rs. 10/-	Rs. 10/-	Rs. 10/-
No. of Securities being Transferred		Consideration received (Rs.)	
In figures	In words	In words	In figures
Distinctive Number	Form		
	To		
Corresponding Certificate Nos.			

## Transferor's Particulars

Registered Folio Number:

Name(s) in full :	PAN	Signature(s)
1.		
2.		
3.		

I, hereby confirm that the transferor has signed before me.

Signature of the Witness: \_\_\_\_\_

Name of the Witness: \_\_\_\_\_

Address of the Witness: \_\_\_\_\_

\_\_\_\_\_

Pin code: \_\_\_\_\_

Transferee's Particulars					
Name in full	Father's/mother's/ Spouse name	Address & E-mail ID	Occupation	Existing folio No., if any	Signature
(1)	(2)	(3)	(4)	(5)	(6)
1.					
2.					
3.					

**Folio No. of Transferee:** \_\_\_\_\_

**Specimen Signature of Transferee(s):** \_\_\_\_\_

**Value of Stamp affixed:** Rs. \_\_\_\_\_

**Enclosures:**

1. Certificate of shares or debentures or other securities
2. If no certificate is issued, Letter of allotment
3. Others, Specify, \_\_\_\_\_

**Stamps:**

**For Office Use Only**

Checked by \_\_\_\_\_ Signature Tallied by \_\_\_\_\_

Entered in the Register of Transfer on \_\_\_\_\_ vide Transfer No. \_\_\_\_\_

Approval Date \_\_\_\_\_ Power of attorney / Probate / Death certificate / Letter of Administration

Registered on \_\_\_\_\_ at \_\_\_\_\_ No. \_\_\_\_\_