

MPHASIS LIMITED
Annual Report | 2025



**Growth
Powered by AI**

Making AI Real

POWERING GROWTH

We continue to build for growth

With a sharp focus on the micro in an uncertain macro environment, we continue to prioritize sustained investments in growth and meticulous execution. Our platforms have transformed and modernized the technology and operations stack of our clients across the globe.

Mphasis is committed to delivering on the four vectors of growth: **Consistent**, **Profitable**, **Competitive** and **Responsible**.

Our significant and substantial investments in technology and talent have created a powerful launchpad for positive societal impact, while simultaneously delivering client-centric outcomes.



Consistent
Growth

Competitive
Growth

Profitable
Growth

Responsible
Growth

From the CEO

Dear Shareholder,

The technology landscape is advancing at an unprecedented pace, undeterred by the measured business climate created by global uncertainty, macroeconomic pressures and geopolitical shifts. At Mphasis, AI is central to our innovation agenda, merging cutting-edge advancements with a sharp focus on industry-specific outcomes — accelerated by long-term investments in AI. More than 55% of our current deal pipeline is AI-led, underscoring our commitment to deliver real-world impact through AI-powered transformation.

We continue to strengthen our capabilities across platforms such as Mphasis NeoZeta™, Mphasis NeoCrux™ and Agentic AI. These innovations, combined with our Savings-led Transformation™ approach, help us to drive swift and high-impact AI initiatives that seamlessly integrate human expertise with intelligent systems. Our services embed AI to deliver smarter, faster and more adaptive solutions — ensuring our clients stay competitive in a rapidly changing world. With a purpose-led AI approach, we're not just adapting to change, we're shaping what's next.

Fiscal Year (FY) 25 has been another significant year for your Company. During this period, your Company:

- Secured new TCV wins amounting to USD 1.27 billion, while net profit rose by 9.5% to ₹17,021 million
- Collaborated with AWS to launch the Gen AI Foundry for Financial Services, led by Mphasis.AI
- Formed strategic partnerships with companies, including Classiq and SecPod
- Won the 2025 Cybersecurity Excellence Awards in the Identity and Access Management category
- Won the NASSCOM AI Gamechangers Award 2023-24 in the Healthcare & Pharma category for Enterprise

In addition, your Company has aligned with the global movement by committing to Science Based Targets initiative (SBTi) Greenhouse Gases (GHGs) reduction goals, demonstrating our resolve to create meaningful impact on climate action.

As part of its social commitment, your Company has, through the Mphasis F1 Foundation, contributed towards long-term societal benefits in the following areas:

Environmental Sustainability: We partnered with United Way of Bengaluru (UwB) to launch Mangrove Matters in 2024, an initiative focused on restoring and preserving the mangrove ecosystems in Pulicat, a coastal town near Chennai. As part of the Wake the Lake program, we have collaborated with UwB to rejuvenate the Dommasandra Lake in Bengaluru — successfully restoring 39 acres of lake area, securing water access for 12,610 people and 350 livestock. This has also led to a 30-40% increase in bird species and overall numbers, reiterating our commitment to enhancing local ecosystems.

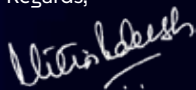
Education: In collaboration with IIT Madras, your Company has created the Mphasis Center for Quantum Information, Communication and Computing (MCQuICC). We've trained 120+ students and professionals, advanced quantum research and contributed to India's National Quantum Mission. Aligned with the Sustainable Development Goals (SDG), this partnership drives impact across education, healthcare, innovation and climate action.

Inclusion: Our ESG initiatives demonstrate our unwavering commitment to sustainability and responsible business practices, and this has earned us creditable recognition. We have been named as one of India's leading ESG companies in Dun & Bradstreet's ESG Champions of India 2024 report and received the Gold Equitable Hiring Award from Meytier for our strong focus on diversity, equity and inclusion.

We're seeing strong momentum and AI-driven growth across key segments. Looking ahead, we expect broad-based expansion fueled by large-deal opportunities, with a focus on execution and leveraging AI for meaningful impact.

Our achievements are a direct result of the dedication and talent of our incredible employees and leadership team, and the continued trust of our clients and shareholders. I'm deeply grateful for their unwavering commitment to excellence. Thank you for your enduring support.

Regards,



Nitin Rakesh

Chief Executive Officer and Managing Director



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POWERING SYNERGY

Augmenting human performance with AI

At Mphasis, we look at AI as an end-to-end opportunity and have adopted a holistic approach to making AI real for all stakeholders.

We look at Gen AI as a catalyst for business transformation using our intelligent agents and software-driven solutions to deliver efficiency and enhanced customer and employee experience. With rapid democratization at scale, our platforms and solutions have fundamentally transformed the dynamics of modernization. Leveraging the evolving economics of tech arbitrage, we make a compelling case for accelerated and empowered modernization for our clients through our Savings-led Transformation™ approach.

Mphasis NeoZeta™, Mphasis NeoCrux™ and Mphasis NeoSaBa™ are our proprietary next-gen platforms and solutions that leverage the synergistic capabilities of Generative AI and Agentic AI to enhance human performance, modernize mission-critical systems with confidence and rapidly develop new leading-edge apps for business transformation.

Mphasis NeoZeta™

Mphasis NeoZeta™ is an enterprise modernization platform for legacy applications using LLMs that reduces relearning time by more than 50%. A unique differentiator in our approach is the Knowledge Graph, a living and breathing, evergreen enterprise asset, built on Day 1 through relearning from existing systems and artifacts, and continually updated for building new applications and enhancement of existing ones.

Mphasis NeoZeta™ modernized the legacy policy administration application and data for a global insurance and wealth management player with **60-70% higher speed** — resulting in cost reduction of more than USD 16M.

Mphasis NeoCrux™

Mphasis NeoCrux™ is a unified engineering platform that improves developer efficiency by 40% with intelligent coding assistance. It streamlines workflows and reduces inefficiencies that extend beyond basic agent orchestration. Using powerful personalized AI assistance for engineers, it learns and adapts to individual engineer's behavior, increasing productivity.

Mphasis NeoCrux™ enabled a global insurer to achieve **70% effort reduction** in identifying and fixing vulnerable code — and is presently minimizing build failures in non-production environments.

Mphasis NeoSaBa™

A semi automated business analyst agent, Mphasis NeoSaBa™ accelerates design thinking processes and improves output across assessment of challenges, benchmarking of ideas, aggregation of requirements and generation of agile artifacts.

It takes the business logic and domain knowledge preserved by Mphasis NeoZeta™ and transforms it into structured, unambiguous requirements and user stories that can guide modern application development.



POWERING TRANSFORMATION

Optimizing run to drive change

In the current macro environment where tech spend remains a strategic priority, CIOs are cautious about allocating their discretionary spending. The conservative increase in tech spend has put a strong focus on ROI and value generation, while emphasizing the need to invest in cost-saving priorities. The imperative to stay tech-forward and competitive, combined with the need to realize immediate value, calls for a strategic balance of transformation and cost savings.

Our Savings-led Transformation™ approach is a collaborative strategy that reduces operational costs and utilizes the resultant savings to drive digital transformation for enterprises.

For a leading fintech, we have designed and are implementing self-funded transformation of its legacy, mission-critical and core mainframe system (with more than 45 million lines of COBOL) handling 35 billion+ annual authorizations — resulting in a latency of less than 30 milliseconds and with a downtime of less than 10 minutes in 5 years.

Our next-gen, modular and composable platform is based on industry standards (BIAN and ISO 20022) and is driven by our AI-led IP and methodology.

This will significantly reduce the fintech's spend, and the resulting savings will drive its transformation.

For a global insurance broker, we executed a transformation program underpinned by four levers: Modernization, Digital, Data and Productivity Optimization, achieving USD 35.5M in savings. The initiative transformed the client's technology estate, comprised of 70+ applications, to make them efficient, digitally savvy, integrated and cost-efficient. We executed several major interventions, including modernizing the policy administration platforms, consolidating apps to a common microsite-driven enrollment platform, transforming and modernizing the claims system, setting up a common billing platform and more.

Our transformation approach has enabled a 10% claw-back towards modernization and is on track to deliver 40% savings in seven years while achieving an integrated self-service environment and optimizing operations to self-fund transformation.

A leading IT provider, faced with poor SLA adherence and inconsistent quality due to fragmented processes and ineffective knowledge management, achieved 30% operations cost optimization through our Savings-led Transformation™ approach.

Our new Contact Center-as-a-Service solution with omnichannel, digital-first design, ensured enhanced workforce optimization integration. We consolidated operations to augment control and drive efficiency, optimized straight-through processing and adopted a Lean Six Sigma model. The transformation enhanced quality management tools, offered knowledge management during real-time interactions, automated reporting, enabled dynamic omnichannel forecasting, reduced manual interventions and improved talent management and retention.

POWERING CO-CREATION

Unlocking deep values of partnerships

We leverage our extensive partner ecosystem and collaborate closely with clients to drive innovation and strengthen their competitive positioning. We achieve this through:

Partnerships with Hyperscalers

- Our collaboration with **AWS** Gen AI Foundry has helped us create Gen AI use cases using AWS Services for modernization, contact center transformation, intelligent document processing and more.

We received the AWS 'Industry Partner of the Year – Travel and Hospitality (Global)' award, recognizing our expertise in providing technology products and services to accelerate the modernization and innovation journey of the travel and hospitality industry.

- We are now a Managed Partner with **Google**, specializing in Modern Application Development.

Our investments in Google Cloud Platform (GCP) have accelerated legacy modernization for our clients. Additionally, our modern agentic engineering platform, powered by Gemini, offers an ecosystem of highly capable agents to speed up idea-to-value cycles. Seamless transitions to scalable, secure and high-performance platforms such as GCP BigQuery have laid the foundation for unified data and intelligent data-first business decisions.

- We are constantly strengthening our **Microsoft** partnership. Our recent onboarding into the exclusive Microsoft Jumpstart program for Copilot and achieving the Business Applications Solution Partner designation reiterates this fact. The collaboration focuses on leading business and tech conversations with AI, with Mphasis investing in training resources for tools such as Copilot, GitHub Copilot, Power Platform, and Microsoft Fabric, to drive innovation and efficiency for both employees and customers.

Leading with agentic AI, we have successfully managed customer deals and proof of concepts. Our notable client base includes a Fortune 500 company in the US, an asset management organization in the UK, a leading insurance broker company in the US, and a major human resources and financial services company in the US.

In addition, we deliver composable solutions for multiple industries leveraging our next-gen platform factories on **VMware Tanzu** HMC platforms.

Mphasis Innovation Hubs

Our Innovation Hubs serve as a focal point for developing next-gen solutions and enhance our cross-capabilities spanning the areas of AI, Quantum Computing, Cyber Security and beyond.

In FY25, in addition to the Global hubs in the USA and France, we launched the following innovation hubs:

- A Center of Excellence for Quantum Technologies in London, UK — to develop cutting-edge solutions in Quantum Computing, Quantum Cryptography and AI.
- A Global Center of Excellence (CoE) for Advanced Computing in Hyderabad, India — an innovation hub for Computing and AI-led competencies across diverse industries such as banking and financial services, logistics and real estate.
- A new Cyber Fusion Center in Bengaluru, India — a cutting-edge facility designed to offer 24x7 advanced threat detection, incident response and continuous threat monitoring for global clients and this is across industries.

NEXT Labs

NEXT Labs focuses on research and innovation on emergent and future paradigms through disruptive world class innovations, thought leadership and industry-relevant solutions.

We have recently been recognized as the leader in Hugging Face's DABStep (Data Agent Benchmark for Multi-step Reasoning) challenge. This achievement highlights the expertise of our AI agents in performing complex data analyses through multi-step reasoning.

We were granted a U.S. patent on 'System and method for optimized processing of information on quantum systems'. Mphasis' newly granted U.S. patent advances the scalability and performance of Quantum Machine Learning on today's quantum hardware. Through optimization of high-dimensional data transformation and adaptive learning, we are bringing quantum-ready AI solutions to industries tackling real-world complexity.

Sparkle Program

The Sparkle Innovation Program empowers enterprise clients and startups by bridging the demand and supply sides of innovation.

We foster partnerships with key innovation engines, including startups, research organizations and academic institutions to build a vibrant and collaborative innovation ecosystem. Through structured, design thinking-led processes, we drive contextual and client-focused innovation.

Additionally, we develop industry-specific specialized innovation programs to address unique market needs. By collaborating internally with NEXT Labs and solution tribes, we enhance solution stacks through our 'Sparkle' initiative, co-creating value with our partners.

New Partnerships Forged in FY25

- With **SecPod**, a SaaS-based cybersecurity products and technology company — to offer disruptive vulnerability management services through SecPod's SanerNow CVEM platform.
- With **AgentSync** for insurance compliance solutions built on the Salesforce platform.
- With **Classiq**, a leading quantum software company, to accelerate the adoption of quantum solutions for enterprises.
- With the **MoneyGram Haas F1 Team** as their 'Official Digital Partner' to enhance the team's performance and create a more engaging fan experience.

POWERING INNOVATION

Innovation to make AI real

Our differentiated and full-stack approach to AI places us in a unique position to forge ahead on our commitment to innovation and investments in technology at scale.

Making AI real for all our stakeholders is our firm goal, and we achieve this through a well-defined and structured four-phase approach:

1

Building a strong
data foundation

2

Implementing
enterprise-grade identity
and access management for
unimpeachable data security
and privacy

3

Creating a technological
foundation for AI

4

Developing a strategic
roadmap for AI, based
on key design principles of
LLM-agnostic architecture,
secure data orchestration and
use of pre-built connectors



POWERING FUTURE-FIRST TALENT

Fostering people empowerment with continuous learning

Our Talent Next platform continues to foster a culture of continuous learning and empowers our workforce with in-demand technical skills and leadership capabilities.

We make our people ready for real-world challenges through a comprehensive blend of learning and skilling — instructor-led sessions, self-paced modules, cloud labs for hands-on learning and assessments, and more. Engagement is elevated through gamification and social learning features, driving collaboration and deeper interaction. AI-driven analytics further personalizes the learning journey through accurate identification of skill gaps and relevant recommendations.

In FY25

- We significantly enhanced **AI skill adoption** with focused certification drives and enriched our skills catalog with a broader range of digital skills and curated learning paths.
- We have trained more than 14,000 associates in **GitHub Copilot**, with over 50% successfully completing certification.
- **Mphasis Geek Cloud**, our innovative cloud sourcing platform, continued to grow — adding 28 new accounts, and offering access to 2,500 unique skills for immediate use. It has seen 395 new geeks contributing to work packages over the past year.
- The **Mphasis Architect Academy** collaborated with our architect community to launch training programs for various architect roles and strengthen our architect talent pipeline.
- The **Mphasis Learning Academy** reinstated classroom-based Delivery Readiness Program training for campus hires and interns.
- We customized and aligned our **learning programs** to evolving business needs through industry-led insights — thereby accelerating readiness for delivery roles.
- We launched **Knowledge.Ai**, an Mphasis Knowledge Hub. Developed with Copilot Studio, this knowledge hub leverages advanced Generative AI for efficient data retrieval, analysis and access for users, while maintaining data integrity and confidentiality, through permission-based knowledge access.



POWERING COMMUNITY IMPACT

Forging purpose, progress and possibilities

Rooted in purpose and responsibility, our CSR activities in FY25 were focused on the core pillars of Education, Livelihood, Inclusion, Conservation and Tech for Good.

Education and livelihood: Building foundations, empowering progress

Our initiatives in education and livelihoods support the creation of equitable opportunities by establishing strong learning foundations and



fostering sustainable progress. We enhance STEM access and support teacher development through partnerships

with the Akanksha Foundation, VigyanShaala, Sahyadri College, CEQUE and the DS Brar Center at Plaksha University. Our collaboration with The/Nudge Institute focuses on poverty alleviation through skill-building, entrepreneurship and social innovation including start-up incubation and the Indian Administrative Fellowship.

Inclusion: Mainstreaming accessibility and dignity

Our inclusion-focused programs prioritize accessibility, advocacy and capacity-building for persons with disabilities. Through NCPEDP, we promote policy change, recognize accessibility leaders and support a Center of Excellence for assistive technology and entrepreneurship. In partnership with the Museum of Art and Photography (MAP), we enhance cultural accessibility. Additionally, our collaboration with



Olympic Gold Quest (OGQ) offers Indian athletes and para-athletes comprehensive support in training, nutrition and mental conditioning for Olympic and Paralympic success.

Conservation: Investing in nature, sustaining communities

Our commitment to ecosystem restoration and climate resilience focuses on community-led conservation. In partnership with United Way of Bengaluru, we carried out afforestation at Doddasaggere Botanical Garden and implemented the One Billion Drops project for groundwater recharge through percolation wells. With Mangrove Matters, we rewilded 70 acres in Pulicat Lake with 70,000 mangroves. Under Wake the Lake, we rejuvenated Mahadevapura and Dommasandra Lakes, enhancing water quality, biodiversity and local microclimates.

Tech for Good: Advancing innovation for social impact

Through cutting-edge research and technology-led interventions, we address critical social challenges and advance India's digital future. Our Mphasis Center for Quantum Information, Communication, and Computing (MCQuICC) at IIT Madras builds national capabilities in quantum technologies. In partnership with Ashoka University, we support AI and data analytics for public benefit. Collaborating with the Indian Institute of Science (IISc), we



promote sustainable business practices and financial inclusion, enhancing financial literacy in underserved communities.



POWERING ESG EXCELLENCE

Creating long-term value for communities and the environment

Guided by our ESG Vision and Mission, we are committed to integrating environmental stewardship, social responsibility and strong governance into every aspect of our operations.

Through responsible investments, ethical business practices and innovative solutions, we have driven positive changes, inclusivity and resilience — to ensure a sustainable future.

As environment-conscious and socially responsible corporate citizens, we have applied 'Tech for Sustainability', driven by four vital pillars:

- Architecting Stakeholder Value
- Applying Good Governance
- Incorporating Inclusion
- Engineering Climate Sustainability

ESG Highlights

Important Initiatives

01

Climate Action: Formally committing to Science Based Targets initiative (SBTi), thereby demonstrating our dedication to meaningful climate impact.

Our organization has demonstrated measurable progress in ESG performance. Key rating agencies have acknowledged our enhanced sustainability practices:

02

- **MSCI** upgraded our ESG rating from BBB to A, placing us at an average industry level.
- **DJSI** recognized a 12-point increase in our score, from 62 to 74, reflecting better ESG practices.
- **EcoVadis** awarded us a Bronze Medal with a score of 54, marking our first medal recognition for sustainability efforts.

03

Provision of Low-Carbon Services
Supported clients in logistics optimization and cloud migration while facilitating a low-carbon transition.

04

Responsible Supply Chain
Instituted an environmental screening process for all suppliers and introduced supplier assessments for the largest suppliers by spend.

Resource Efficiency

49%

Renewable energy in the energy mix

58%

ISO 14001 certified facilities (34% increase from the previous year)

Employee Diversity & Development

35.68%

Share of women in the workforce

14+ hours

Training and Development of each FTE annually

Human Rights

100%

Of our facilities have completed human rights assessment

0%

Complaints received on data privacy affecting the customer's personal data

Strategic Partnership Customers & Suppliers

87%

Score received in the customer satisfaction survey

100%

Critical Supplier Assessed on ESG Parameters

Ethical Governance

0

Incidents of conflict of interest, corruption and bribery, money laundering and anti-competitive practices

Featured among India's leading ESG entities in the Dun & Bradstreet 2024 report.

Won the prestigious 2024 ACCA Green Leadership Award for Sustainability & ESG Initiatives.

AWARDS & RECOGNITION

Acknowledgement of Excellence

Analyst & Advisor Recognitions

Everest Group

'Leader' in Everest Group's

- Custom Application Development Services for Mid-market Enterprises PEAK Matrix® Assessment 2025
- Data and AI (D&AI) Services for Mid-market Enterprises PEAK Matrix® Assessment 2025
- Digital Transformation Services for Mid-market Enterprises PEAK Matrix® Assessment 2024

'Major Contender and Star Performer' in Everest Group's

- Application Management Services PEAK Matrix® Assessment 2025
- Digital Workplace Services PEAK Matrix® Assessment 2024 – North America
- Open Banking IT Services PEAK Matrix® Assessment 2024
- Microsoft Azure Services PEAK Matrix® Assessment 2024
- Capital Markets IT Services PEAK Matrix® Assessment 2024

'Major Contender' in Everest Group's

- Custom Application Development Services PEAK Matrix® Assessment 2025
- Artificial Intelligence (AI) and Generative AI Services PEAK Matrix® Assessment 2024
- Data and Analytics (D&A) Services PEAK Matrix® Assessment 2024
- AWS Services PEAK Matrix® Assessment 2024
- Quality Engineering (QE) Services for AI Applications and Systems PEAK Matrix® Assessment 2024
- Digital Workplace Services PEAK Matrix® Assessment 2024: Mid-market Enterprises
- Low-code Application Development Services PEAK Matrix® Assessment 2024 – Focus on Microsoft Power Apps
- Low-code Application Development Services PEAK Matrix® Assessment 2024 – Focus on Appian
- Low-code Application Development Services PEAK Matrix® Assessment 2024 – Focus on OutSystems

- Healthcare Payer Business Process as a Service (BPaaS) – Solutions PEAK Matrix® Assessment 2024
- Key Verticals, Value Chain Elements and Nearshore Delivery Software Product Engineering Services PEAK Matrix® Assessment 2024
- Lending Services Operations PEAK Matrix® Assessment 2024
- Digital Transformation Consulting Services PEAK Matrix® Assessment 2024 – North America
- Life & Annuity (L&A) Insurance IT Services PEAK Matrix® Assessment 2024
- Private Equity (PE) IT Services PEAK Matrix® Assessment 2024
- Healthcare Industry Cloud Services PEAK Matrix® Assessment 2024
- SAP Business Application Services for Mid-market Enterprises PEAK Matrix® Assessment 2024

'Aspirant' in Everest Group's

- SAP Business Application Services PEAK Matrix® Assessment 2025
- Google Cloud Services PEAK Matrix® Assessment 2024
- Salesforce Services PEAK Matrix® Assessment 2024
- Digital Workplace Services PEAK Matrix® Assessment 2024 – Europe

HFS

Positioned in the HFS Horizon 1 category

- Generative Enterprise Services, 2025
- Salesforce Service Providers, 2025
- Healthcare Payer Service Providers, 2024
- Sustainability Services, 2024
- Azure Ecosystem™ Services Providers, 2024
- AADA Quadfecta Services for the Generative Enterprise, 2024
- The Best Service Providers for Core Banking Modernization, 2024
- Industry Cloud Service Providers, 2024

Also featured in HFS Research's POV on 'Should you consider Mphasis Silverline for your Salesforce implementation?'

Forrester

Featured in Forrester's

- The Forrester Wave™: Application Modernization and Multicloud Managed Services, Q1 2025
- The Application Modernization and Multicloud Managed Services Landscape, Q4 2024
- The SAP Services Landscape, Q3 2024
- The Oracle Services Landscape, Q3 2024
- The Modern Application Development Services Landscape, Q3 2024
- The Humanlike Future of Digital Experiences
- LLMs Promise Document Automation Glory

Gartner

Featured in Gartner's

- Market Guide for U.S. Healthcare Payers' Core Administrative Processing Solutions
- Market Guide for Life Policy Administration Systems, Americas
- Market Guide for EMEA Life Insurance Policy Administration Systems
- Hype Cycle for Healthcare Data, Analytics and AI, 2024
- Tool: Guide to Service Providers for Generative AI Initiatives

Mphasis is included as an honorable mention in Gartner's Magic Quadrant for Custom Software Development Services.

Patents

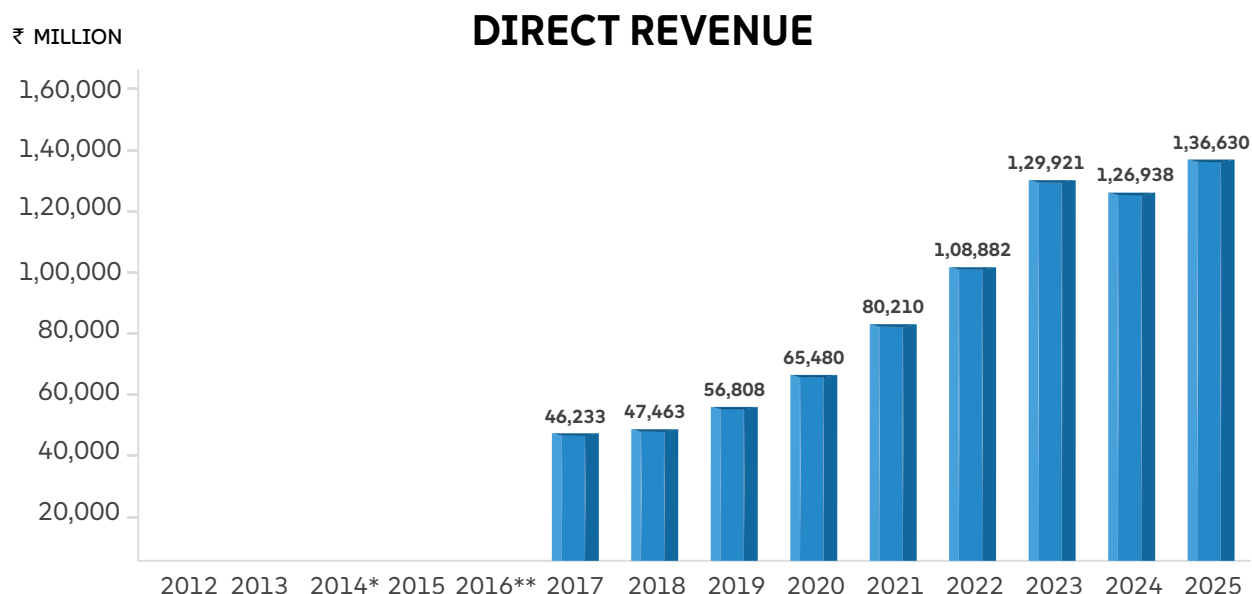
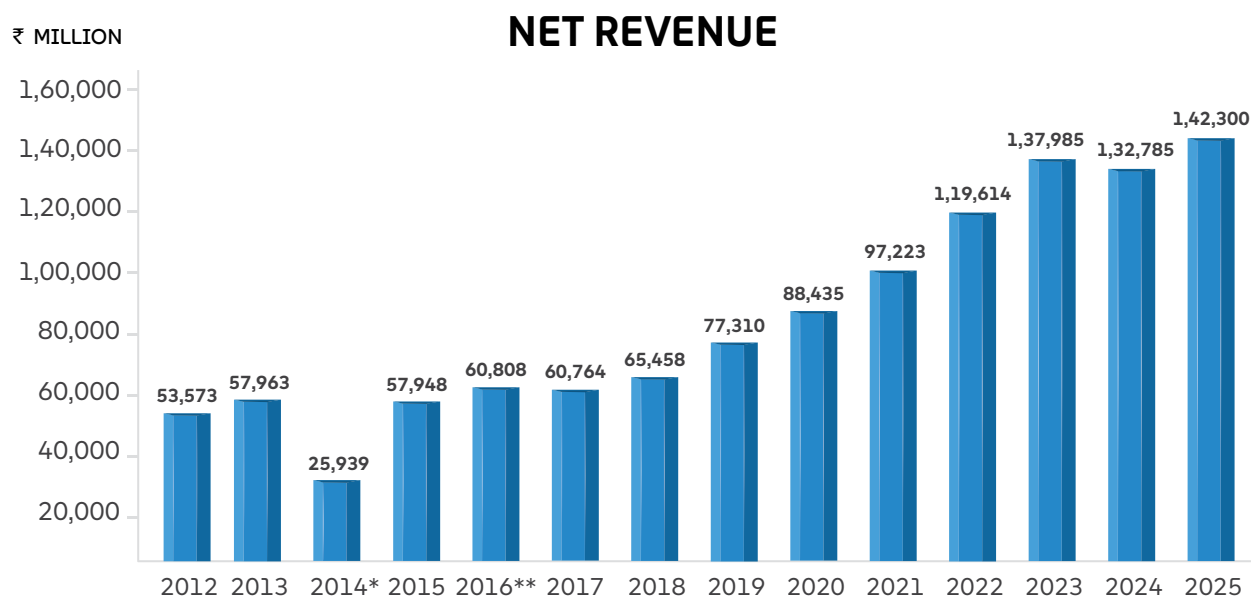
Granted a U.S. patent for our innovative solution called 'System and method for optimized processing of information on quantum systems'.

Other Recognitions

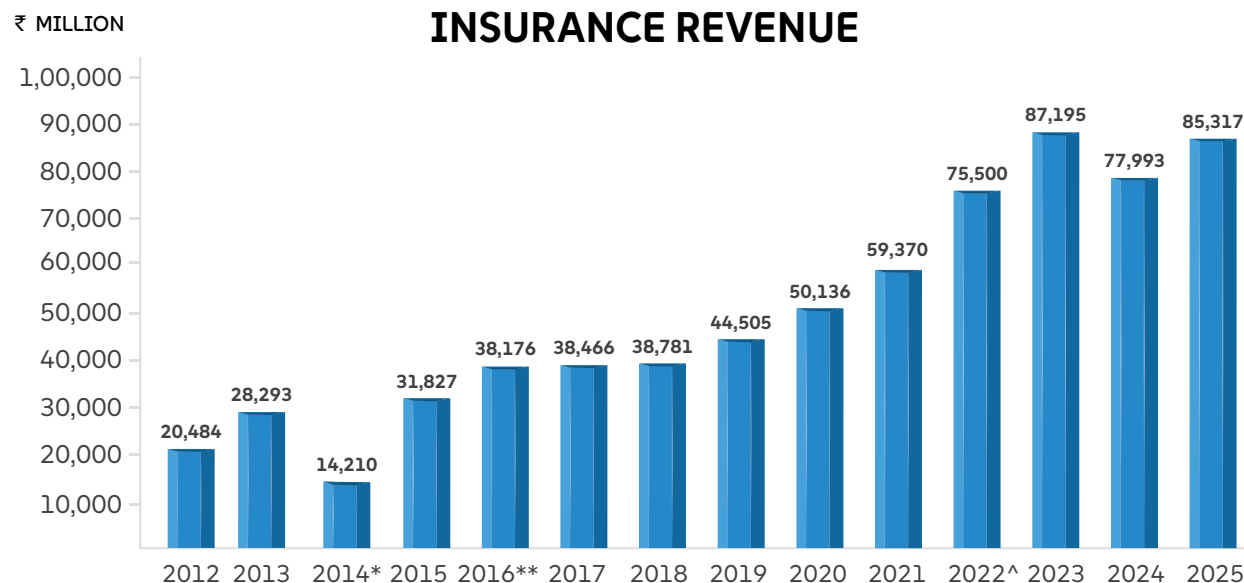
- Listed as the leader in the DABStep challenge, validating our ability to design AI agents for complex data analysis, using multi-step reasoning on real-world data
- Awarded the Cybersecurity Excellence Award 2025 in the 'Identity and Access Management (IAM)' category by Cybersecurity Insiders
- Won NASSCOM's AI Gamechangers Awards 2023-24 in the Healthcare & Pharma category for Enterprise
- Mphasis-Silverline's CalendarAnything won at the Southeast Dreamin' Conference 2024 Demo
- Blink's (an Mphasis company) UX work for NASA received awards in two categories at the 2024 Webby Awards
 1. User experience work on NASA.gov
 2. The reimagined NASA.gov website, and the new streaming service, NASA+
- Recognized as one of India's Top 25 Safest Workplaces by the Kelp POSH Awards® 2024
- Received the IIT Madras Corporate Partnership Award under the category of 'Excellence in Collaborative Innovation' — at the IIT Madras CSR Awards & Summit 2024
- Won the Global Workforce L&D award from the HR Association of India (HRAI)
- Upgraded to 'A' from 'BBB' in Morgan Stanley Capital International (MSCI) ESG rating
- Mphasis' LeadHER program (a women's leadership development program) won the silver at the Brandon Hall Group HCM Excellence Awards
- Recognized as the 'Best Employer for Women' in the large category by ASSOCHAM
- Received Global DEI Gold certification by Diversio
- Recognized as an 'Exemplar of Inclusion' in Avtar & Seramount's Most Inclusive Companies Index (MICI)
- Recognized with the Gold Equitable Hiring Award from Meytier
- Pavan Goyal, CIO, Mphasis, honored at the IDC CIO100 Symposium & Awards
- Anup Nair, our SVP & CTO, was featured by the HR Association of India for demonstrating exceptional leadership in the field of technology



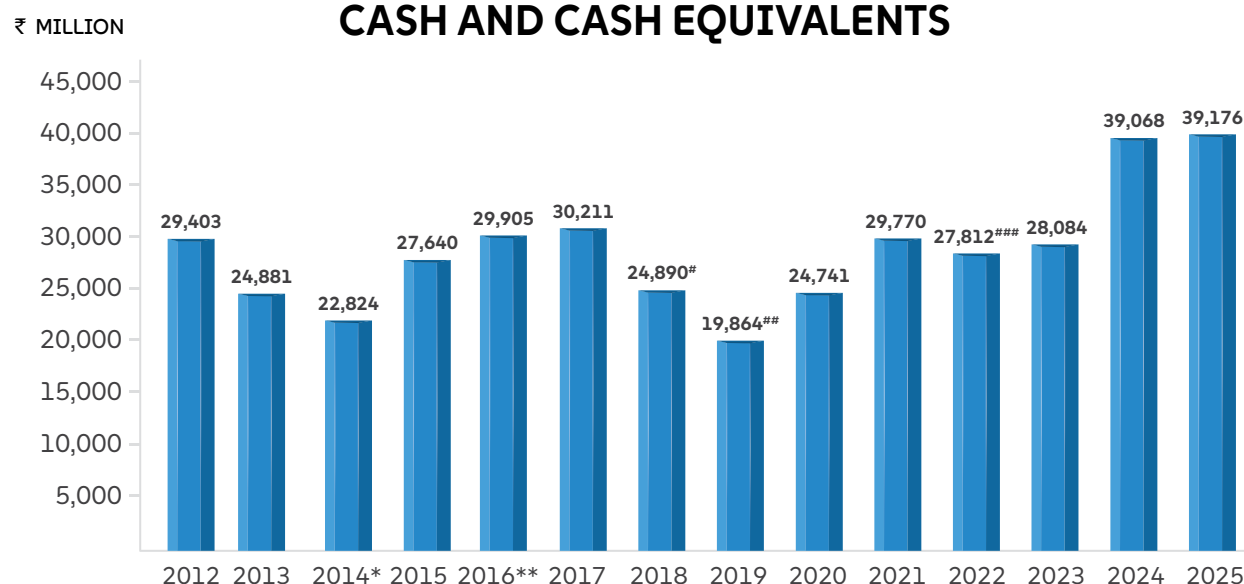
Key Operating Metrics



BANKING, FINANCIAL SERVICES AND INSURANCE REVENUE



CASH AND CASH EQUIVALENTS



* Transition year 2014 represents 5 months of operations.

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

^ Figures from FY 2022 onwards are restated for certain changes in account classification effected in FY 2024.

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

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

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

Board of Directors



Jan Kathleen Hier
Chairperson



Nitin Rakesh
Chief Executive Officer and
Managing Director



Maureen Anne Erasmus
Independent Director



Courtney Karlan della Cava
Non-Executive Director



Sunil Gulati
Independent Director



Girish Paranjpe
Independent Director



Amit Dixit
Non-Executive Director



David Lawrence Johnson
Non-Executive Director



Marshall Jan Lux
Non-Executive Director



Amit Dalmia
Non-Executive Director



Kabir Mathur
Non-Executive Director



Pankaj Sood
Non-Executive Director

EXECUTIVE VICE PRESIDENT, GENERAL
COUNSEL AND CHIEF RISK, ETHICS &
COMPLIANCE OFFICER
Eric Winston

SENIOR VICE PRESIDENT
AND COMPANY SECRETARY
Mayank Verma
effective 28 April 2025

CHIEF FINANCIAL OFFICER
Aravind Viswanathan

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MANAGEMENT DISCUSSION AND ANALYSIS OF RISKS AND CONCERNS

The global economic environment in FY25 has had an increased level of uncertainty and unpredictability. There are some signs of recovery - particularly with the potential for interest rate cuts in the US and Europe—however, persistent inflation, tight credit markets, and continued geopolitical tensions (such as those in Eastern Europe, the Middle East, and the Red Sea) are influencing customer demand patterns. Additionally, tariff-related disputes and protectionist trade policies have begun to reshape global supply chains. While the IT Services sector has seen increased traction in GenAI, digital transformation, and cost-optimization programs, discretionary spending continues to be subdued.

From an industry standpoint, the emergence of Gen AI has led to rapid technological shifts, requiring accelerated adaptation by IT services companies. At the same time, regulatory scrutiny around data privacy, AI ethics, and environmental disclosures is intensifying across geographies. Talent models continue to evolve, with organizations fine-tuning their hybrid work strategies. This shift brings ongoing challenges around workforce engagement, productivity measurement, leadership visibility, and cultural cohesion in a distributed environment. While clients remain prudent with discretionary tech spending, demand remains strong for AI-led transformation, cybersecurity, platform-based services, and managed cost takeout initiatives.

Opportunities Arising from Risk Trends

In addition to proactively identifying and mitigating risks, the Company's Enterprise Risk Management program also aims to uncover potential opportunities embedded within risk themes. For instance:

- Cybersecurity and data privacy risks have led to the creation of managed security offerings, trusted cloud services, and privacy governance consulting capabilities.
- AI governance risks have driven demand for responsible AI frameworks and ethical AI advisory engagements.
- Cost and margin pressures at client organizations have expanded opportunities for delivering AI Ops, Service Led Transformation, automation-led managed services, and cost-takeout solutions.

The Company continues to monitor these developments to align investments and innovation initiatives accordingly.

Risk Management Framework at Mphasis:

At Mphasis, we are committed to proactive risk management to safeguard our business interests, optimize performance and ensure sustained value creation for our stakeholders. Our risk management framework encompasses strategic, operational, and compliance dimensions, enabling us to identify, assess, mitigate, and monitor risks effectively.

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

At the management level, the Mphasis Risk Management Council (MRMC), provides the required oversight for the ERM program and monitors the progress on various identified enterprise risks and periodically reviews the mitigation efforts. The MRMC is comprised of four members of the ExCo team. There is a dedicated risk management function headed by Chief Risk Officer to coordinate all risk related activities across the enterprise and periodically report the status of enterprise risks to the Board/RGMC/Audit Committee/MRMC.

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

Some of the important enterprise risks/concerns (covering strategic, operational, compliance risks) specific to the Company and steps taken by the Company to mitigate these risks are given below:

Strategic Risks

Risk Header	Risk Description	Mitigation
Geopolitical Risks	Heightened geopolitical tensions and disputes, including but not limited to the Russia- Ukraine War, Hamas Israel war, the recent Red Sea attacks, etc. pose a risk of disruption to our global operations, including supply chain interruptions.	There is no direct impact to your Company's business. The indirect impact in terms of rising costs, inflation and hence higher interest rates does impact the company's growth. The Company closely monitors developments to ensure we minimize impact.

MANAGEMENT DISCUSSION AND ANALYSIS OF RISKS AND CONCERNS

Risk Header	Risk Description	Mitigation
Technology Obsolescence	Rapid technological advancements may render our existing solutions obsolete, impacting our competitiveness and market relevance.	Your Company has consistently invested in technology and R&D. The Company fosters a culture of innovation and has entered into several strategic partnerships to stay abreast of emerging technologies and market trends. The Company's unique Tribe model, created to bring the right tech capabilities across the company to stitch together the most appropriate IT and business solutions, has positioned us well to capitalize on the mainstream acceptance of emerging technologies through focus on speed to market. The recent launch of DeepInsights AI, an intelligent document processing solution, powered by Generative AI is a testament to the Company's technological capabilities and advancements.
Business Concentration	Dependency on a few key clients or markets exposes us to the risk of revenue volatility and client-specific challenges.	Your Company's business concentration is a strategic decision aligned with our goals to profoundly impact our clients' technology landscape. Your company enjoys a sizeable wallet share in these accounts. In our journey to make the next billion dollars in revenue, the Company invests significantly in New Client Acquisitions. Further, your Company's Management has devised a client diversification strategy, targeting faster growth (in comparison to the top 10 accounts) in an identified set of accounts – Accounts 11 - 20 and Accounts 21- 30. This helps in strengthening relationships with a broader client base to mitigate concentration risks.
AI and Emerging Tech Risk	Rapid adoption of GenAI and other emerging technologies brings risks of regulatory lag, ethical concerns, job displacement, and security vulnerabilities (e.g., deepfakes, hallucinations).	The Company has published AI ethical usage guidelines, instituted governance mechanisms for AI adoption, and runs upskilling programs for employees.
Tariff Trade Escalation and Sectoral Spillover	The recent imposition of tariffs by the U.S. government has triggered trade tensions and contributed to supply chain uncertainty in key client industries such as Hi-Tech, Manufacturing and Automotive. Such tariff levy creates indirect stress for the banking and insurance sectors, which are key client sectors for the Company, by dampening credit demand, increasing sectoral risk premiums, and slowing transformation budgets.	The Company is closely monitoring the evolving tariff and trade policy landscape. Sector-specific account planning, pricing flexibility, and demand sensing have been strengthened to anticipate budget realignments. Additionally, the Company is expanding its near-shore and domestic delivery capabilities in North America and building cross-sectoral solution sets (e.g., risk analytics, treasury digitization) to stay relevant to impacted BFSI clients.
Competition and outsourcing risks	Mphasis faces a risk when the IT units or Global Innovation / Capability Centers (GICs or GCCs) of our existing and potential clients choose to build technology skills in-house instead of outsourcing to technology firms.	Your Company views this as an opportunity to work with the clients to build their in-house capabilities and assist in their operations. Further, the Company's strategy and focus on proactive deal wins helps mitigate this risk.

Emerging Risks

Risk Header	Risk Description	Mitigation
Tariff on Services & Trade Policy Risk	Increasing protectionism and potential country-specific tariffs on digital services, especially in large economies, may affect cost structures and client behavior.	The Company is monitoring global policy changes, diversifying delivery across nearshore hubs, and engaging in bilateral forums through NASSCOM and other industry associations / bodies.

MANAGEMENT DISCUSSION AND ANALYSIS OF RISKS AND CONCERNS

Risk Header	Risk Description	Mitigation
Geoeconomic Fragmentation	Fragmentation of global markets due to sanctions, supply chain decoupling, and policy-driven barriers (e.g., semiconductors, critical tech exports) could increase operational complexity.	A geo-diversified operating model, internal risk analytics, and resilience planning are enabling Mphasis' response mechanisms across supply chain, talent, and compliance.

Operational Risks

Risk Header	Risk Description	Mitigation
Business Delivery	Inefficient business delivery processes or disruptions in service delivery could lead to client dissatisfaction and reputational damage.	Your Company has implemented robust project management practices and continuously improves its processes. The Company has also invested in necessary tools and technology infrastructure for enhanced scalability and reliability.
Revenue Volatility	Global economic slowdown, reduction in discretionary tech spend, and sector-specific pressures (e.g., BFSI, mortgage) may adversely affect revenue growth.	The Company continues to diversify its client base, expand into emerging markets, and launch new offerings aligned to clients' efficiency and cost optimization goals (e.g., AI Ops, managed services).
Margin Compression	Persistent cost and pricing pressures and increased compliance costs could impact margins.	The Company has implemented delivery transformation programs, optimized pyramid structures and other cost optimization initiatives.
Forex Volatility	Volatility in foreign exchange rates due to global interest rate differentials and geopolitical instability may impact financial results.	Your Company follows a well-established hedging policy, which is undertaken to manage risks from unfavorable currency movements and is periodically reviewed by the Treasury Committee of the Board of Directors of the Company.
Higher for longer inflation and interest rates	A sustained period of high inflation and elevated interest rates poses a significant threat to our US mortgage loan processing business. This risk can negatively impact our profitability, operational efficiency, and overall business sustainability.	This is an uncontrollable risk. During this period, though the volumes in our mortgage business declined, your company focused on diversification of clients and improving our wallet share to benefit when the interest rates fall. Your Company also undertook several measures to optimize operational efficiency and implemented cost saving measures.
M&A Risks	Integration challenges arising from mergers and acquisitions could result in operational inefficiencies and cultural mismatches.	Your Company has developed detailed post-merger integration strategies to streamline operations and realize synergies.
Impairment Risk	Lower-than-expected performance of acquired businesses may trigger goodwill or asset impairments.	The Company monitors M&A performance closely and leverages synergies across technology, clients, and delivery.
Limited Work Visas impacting talent supply	Legislative changes that limit the availability of work visas and contribute to deglobalization can potentially impact outsourcing.	Mphasis leverages nearshore centers and offshore delivery to reduce dependency on work visas. This strategy has also helped us sustain margin pressures.
Risk of fraud (including bribery)	Bribery or other fraudulent practices pose a significant threat to our company's ethical standing, legal compliance, and overall reputation. Offering or accepting bribes to influence business decisions can lead to severe consequences, including fines and penalties.	The Company has implemented a comprehensive Fraud Risk Management System consisting of policies and procedures, training and awareness that provide direction for ensuring anti-fraud mechanisms as a part of the fabric of the organization. In addition, the Company through various governance structures, such as internal audits, whistleblower mechanisms and an independent investigation team has built a strong framework to detect and mitigate fraud risk. Further, the Company has established appropriate mechanisms to ensure compliance to anti bribery laws such as the FCPA and the UKBA.

MANAGEMENT DISCUSSION AND ANALYSIS OF RISKS AND CONCERNS

Compliance Risks

Risk Header	Risk Description	Mitigation
Regulatory Compliance	Evolving regulatory landscapes across jurisdictions pose compliance challenges, including data privacy, intellectual property, and ESG norms.	Your Company has established a robust compliance management solution to track compliance across jurisdictions. The Company also uses the services of professional consultants to ensure compliance with domestic and overseas laws and regulations. The Company has implemented processes to ensure internal stakeholders of the Company are aware of statutory requirements and maintain the evidence required to demonstrate that due care has been taken by the Company to ensure compliance.
Privacy	Data privacy breaches could lead to legal liability and reputational damage.	Your Company has implemented a robust Privacy Risk Management Framework to ensure that the Company complies with the relevant requirements. The Company has implemented measures to comply with the stringent requirements of General Data Protection Regulation (GDPR) and all other applicable privacy regulations. These measures are periodically audited and reported to the Risk Committee. To ensure compliance to GDPR and other global privacy laws such as CCPA, Australian Data Privacy Regulations, etc. the company has rolled out a tool during the year for Privacy Risk Assessment. Periodic awareness mailers are sent to all the employees to sensitize on safeguarding privacy.
IP Infringement	Intellectual property infringements could lead to legal liabilities and reputational damage.	The Company has put in place mechanisms to detect and mitigate any infringement of IP rights. To ensure this the Company has implemented technology-based solutions and has taken several steps to hone the awareness level of the employees to ensure that the Company's IP is well guarded. Mandatory training, knowledge sharing sessions and discussions on best practices are conducted to ensure that this risk is well mitigated. The Company has also implemented an enterprise-wide Open-Source Software (OSS) Policy and conducted training, with the objective to provide governance around harnessing the OSS regime and ensure compliance with OSS Licenses and client contracts.
Non-compliance to Sanctions Regulations	Different countries periodically announce sanctions regulations and non-compliance to such sanctions can lead to serious risks and penalties.	The Company has implemented a comprehensive Trade Sanctions Compliance framework to ensure compliance with sanctions regulations. The Company has established a 'screening' protocol for all vendors and clients to ensure that the Company does not deal with sanctioned individuals, groups, entities or countries.
Non-compliance with Immigration laws and regulations	Being in a human resource intensive industry, the movement of human resources to various countries for execution of client projects is a necessity. Changes to visa regimes in countries where the Company is operating, including, in the form of increased scrutiny or rejections of visa requests, poses a risk of increased cost of the operations.	The Company has put in place several measures such as local campus hiring and offshoring and nearshoring of onsite work. The industry has also seen increased scrutiny by various governments for non-compliance with immigration laws and have levied penalties on non-compliant companies. The Company is equipped with the expertise to handle the complex immigration laws in the relevant countries and has processes to ensure compliance. In addition to an internal team with the right expertise, the Company has enlisted external consultants, wherever necessary, to ensure proper compliance with these laws. Periodic immigration compliance reviews, audits, training, and awareness programs are facilitated to ensure compliance with immigration requirements.

ESG Risks

Risk Header	Risk Description	Mitigation
Disrupted Operations	Disruptions to operations due to extreme weather events or environmental disasters may impact business continuity and productivity.	Mphasis has implemented robust business continuity plans and has invested consistently in disaster recovery infrastructure.

MANAGEMENT DISCUSSION AND ANALYSIS OF RISKS AND CONCERNS

Risk Header	Risk Description	Mitigation
Physical Risks of Extreme Weather Events	Physical risks posed by extreme weather events, such as floods, hurricanes, or wildfires, can impact direct costs and infrastructure.	Mphasis has commenced a detailed climate risk assessment and commits to investing in mitigation of physical risk exposures - be it through infrastructure upgrades or location diversification. The Company's robust BCP / DR plans assist in safeguarding employees while enabling operations to continue seamlessly.
Pollution	Environmental pollution (mainly from scope 3 emissions and water pollution) can lead to regulatory fines, legal liabilities and reputational damage.	The operations hybrid model has helped in establishing sustainable practices in the business and minimizing environmental impact as a whole. Your Company is compliant with all applicable environmental regulations and standards and is constantly working on contributing to the environment and society.
Water Stress	Water scarcity or stress in regions where the company operates may disrupt operations and increase costs.	<p>In addition to our hybrid model of working, Mphasis is addressing the risk by adopting the following practices:</p> <ul style="list-style-type: none"> a) Water conservation initiatives and efficient water management practices. b) Diversification of water sources (suppliers base) and c) Investment in water-saving technologies. <p>As part of the CSR activities, your Company is actively contributing to the environment, for e.g., Mphasis has partnered with United Way of Bengaluru (UWB), an NGO :</p> <ul style="list-style-type: none"> a) For the afforestation program in Doddasaggare Botanical Garden in Tumkur district, b) In construction of percolation wells in Lalbagh Botanical Garden in Bangalore, and c) To improve the groundwater levels and boost greenery and bio-diversity at Yamare Lake.
Climate Action Failure	Failure to adapt to climate change or contribute to climate action efforts may result in a drop in demand and revenue as clients seek environmentally responsible partners.	Your Company is a responsible business player and has integrated climate change considerations into business strategy and operations. The Company consistently invests in renewable energy and carbon reduction initiatives. Mphasis is recognized by its clients for its proactive engagement and collaboration to develop sustainable solutions and meet shared environmental goals.
Diminishing Relevance as Partner	Inadequate ESG performance may erode trust and credibility with clients, leading to a diminished relevance as a preferred business partner.	<ul style="list-style-type: none"> a) Implementation of robust ESG policies and practices aligned with stakeholders' expectations. b) Transparency and disclosure of ESG performance metrics to stakeholders. c) Continuous improvement and innovation to enhance ESG performance and value proposition.
Chronic Physical Risks	Chronic physical risks, such as sea-level rise or heatwaves, in locations where the company operates may pose long-term challenges to business operations and infrastructure.	<p>Mphasis has commenced a detailed climate risk assessment and commits to investing in mitigation of physical risk exposures - be it through infrastructure upgrades or location diversification. The scope of our assessment includes:</p> <ul style="list-style-type: none"> - Long-term risk assessment and scenario planning to anticipate and address chronic physical risks. - Investments in climate-resilient infrastructure and adaptive measures. - Collaboration with local communities and authorities to mitigate chronic physical risks.

MANAGEMENT DISCUSSION AND ANALYSIS OF RISKS AND CONCERNS

Data and Information Security Risk

Information and cybersecurity threats are growing in complexity and magnitude, particularly those involving data breaches and compromise of information assets. These threats have become increasingly sophisticated, with cybercriminals and nation-state actors targeting IT service firms. To address these, your Company continues to maintain and enhance its robust IT security frameworks and a comprehensive Cyber Security Strategy.

Your Company is certified on ISO 27001 (Information Security), PCI DSS (for credit card processing BPO projects), and ISO 22301 (Business Continuity Management). We also undergo SOC 1 Type 2 and SOC 2 Type 2 audits annually, conducted by independent third-party auditors. In addition, the Company has obtained multiple global certifications and external validations, including HiTrust, Cyber Essentials Plus, TISAX, and CyberGRX. These demonstrate our adherence to best-in-class data security, privacy, and resilience standards applicable across clients and geographies.

Red Team Assessments and mock cyberattack simulations are regularly conducted to identify vulnerabilities and test preparedness. Any identified gaps are promptly addressed. Notably, despite the increase in cyber threats globally, the Company did not experience any cyber incidents that impacted business operations during the year.

Our refreshed Mphasis Cyber Security Strategy (MCSS) roadmap focuses on risk reduction, brand protection, and resilience. The roadmap incorporates input from clients, regulators, shareholders and consultants. A dedicated security awareness function and simulation-based training are key to strengthening employee cybersecurity culture across the enterprise.

Furthermore, the Company is currently in the process of implementing ISO 42001, the international standard for Artificial Intelligence Management Systems, to ensure ethical, secure, and compliant deployment of AI technologies in line with global best practices.

Continuity and Disaster Recovery Risk

Disruptions due to natural disasters, civil unrest, or infrastructure outages can severely affect business continuity. The Company has implemented ISO 22301-certified Business Continuity Management Systems (BCMS), with defined Disaster Recovery (DR) plans for critical applications and delivery centers.

Regular DR drills are conducted, and critical business services are periodically tested for failover scenarios. Despite city-level disruptions during the year, the Company ensured seamless service delivery to its clients. Enhanced BCP and DR capabilities, combined with location-diverse infrastructure, have enabled operational resilience.

In summary, your Company remains deeply committed to identifying, assessing, and mitigating a comprehensive range of risks across strategic, financial, operational, compliance, and ESG dimensions. Our risk management philosophy balances agility with governance, enabling the business to remain resilient in the face of uncertainty and responsive to stakeholder expectations.

The integration of risk intelligence into strategic planning, use of scenario-based testing, and our commitment to emerging standards such as ISO 42001 and CSRD-aligned ESG disclosures position the Company to not only safeguard value—but also to create and amplify value in a dynamic global environment.

INDEPENDENT AUDITOR'S REPORT

To the Members of Mphasis Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Mphasis Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2025, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2025, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Evaluation of tax positions	
See Note 23 and 31(a) to the consolidated financial statements	
The key audit matter	How the matter was addressed in our audit
<p>The Group's operations in India are subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business, including direct tax and transfer pricing matters.</p> <p>Estimating the most likely outcome of the tax litigations / demands requires significant judgement by the Group to determine the probability of tax authorities accepting a particular tax treatment for potential tax exposures, thereby having an impact on related accounting and disclosures in the consolidated financial statements.</p>	<p>Our audit procedures on taxation included the following:</p> <ul style="list-style-type: none">• Obtained an understanding of key tax litigations / demands and potential tax exposures.• Evaluated the design, implementation and operating effectiveness of the internal controls relating to management's assessment of the most likely outcome of tax litigations / demands, potential tax exposures and related accounting and disclosures in the consolidated financial statements.• We, along with our internal tax experts:<ul style="list-style-type: none">▪ read and analyzed select key correspondences and consultations carried out by the Group including with their external tax experts for key tax litigations / demands and potential tax exposures.▪ inquired with the designated management personnel and external tax experts to evaluate key assumptions and grounds of appeal considered by the Group in estimating the most likely outcome of the tax litigations / demands and potential tax exposures in accordance with the applicable accounting standards.▪ evaluated the status of the recent tax assessments / inquiries, results of previous tax assessments, legal precedence / judicial rulings and changes in the tax environment. This is performed to assess and challenge the Group's estimate of the most likely outcome of key tax litigations / demands and potential tax exposures.▪ verified the presentation and disclosures in the consolidated financial statements in compliance with the applicable accounting standards.

INDEPENDENT AUDITOR'S REPORT (Continued)

Impairment testing of Goodwill	
See Note 5 to the consolidated financial statements	
The key audit matter	How the matter was addressed in our audit
<p>Goodwill is a significant item on the balance sheet and the Group performs impairment testing for goodwill annually.</p> <p>In performing such impairment assessments, the Group compares the carrying value of each of the identifiable cash generating units ("CGUs") to which goodwill has been allocated with their respective "value in use" (VIU). The VIU is computed based on the discounted cash flow method and is used to determine if any impairment loss should be recognized.</p> <p>The discounted cash flow method involves significant judgement in estimating the revenue growth rates, operating margins, terminal growth rates and discount rates considered by the Group for each identifiable CGU.</p>	<p>Our audit procedures on testing for goodwill impairment included the following:</p> <ul style="list-style-type: none"> • Evaluated the design, implementation and operating effectiveness of the processes and internal controls relating to impairment testing of non-financial assets, including goodwill and related disclosures in the consolidated financial statements. • Evaluated the Group's identification of CGU's, their carrying value, allocation of goodwill to each CGU and the methodology followed by the Group for the impairment assessment in compliance with the applicable accounting standards. • Evaluated the competence, capabilities and objectivity of the independent external specialists engaged by management. • Evaluated the basis of key assumptions included in the discounted cash flow method, used for computing VIU of each CGU. This includes assumptions such as revenue growth rates, operating margins, terminal growth rates and discount rates with reference to our understanding of the business / historical trends and macro-economic conditions prevalent in the geographies in which the CGUs operate. • Engaged valuation specialists to evaluate the appropriateness of the methodology used to compute the VIU of the CGU and the key underlying assumptions. • Performed a retrospective review of estimates by comparing the actual financial performance of the CGU for the year ended 31 March 2025 with the projections considered by management during the previous year and assessed if the estimation process is reasonable. • Assessed the sensitivity of the outcome of the impairment assessment to a reasonably possible change in key assumptions such as revenue growth rates, operating margins, terminal growth rates and discount rates. • Verified the presentation and disclosures made in the consolidated financial statements in compliance with the applicable accounting standards.

Accounting for Business Combinations	
See Note 6 to the consolidated financial statements	
The key audit matter	How the matter was addressed in our audit
<p>During the current year, the Group completed two material business combinations.</p> <p>Accounting for business combinations requires management including their independent external valuation specialist to exercise judgement with respect to identification and valuation of intangible assets acquired as a part of the business combination. A significant portion of the purchase price for each of the business combinations has been attributed to identified intangible assets. The valuation of identified intangible assets are dependent on cash flow forecasts including future business growth, expected synergies and application of a discount rate, which involves significant judgment.</p>	<p>Our audit procedures on accounting for business combinations included the following:</p> <ul style="list-style-type: none"> • We read the relevant agreements entered into by the Group to understand the key terms and conditions mentioned, including determination of purchase consideration and identification of intangible assets. • Evaluated the design, implementation and operating effectiveness of the internal controls relating to accounting for business combinations and related disclosures in the consolidated financial statements. • Evaluated the competence, capabilities and objectivity of the independent external specialist engaged by management. • We, along with our valuation specialists, evaluated the appropriateness of the methodology and reasonableness of the key assumptions used by management (including their independent external valuation specialist) in determining the fair value of the identified intangible assets. • Evaluated if the cash flow forecasts used in the valuation of the identified intangible assets are reasonable. • Verified the presentation and disclosures made in the consolidated financial statements in compliance with the applicable accounting standards.

INDEPENDENT AUDITOR'S REPORT (Continued)

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT (Continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except for the matter stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2025 taken on record by the Board of Directors of the Holding Company and on the basis of written representations received by the management from directors of its subsidiary companies incorporated in India, over the period from 1 April 2025 to 11 April 2025, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2025 on the consolidated financial position of the Group. Refer Note 19(b), 23 and 31 to the consolidated financial statements.
 - b. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts. The Group did not have any material foreseeable losses on derivative contracts. Refer Note 19(b) to the consolidated financial statements in respect of such items as it relates to the Group.
 - c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2025.

INDEPENDENT AUDITOR'S REPORT (Continued)

- d. (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in Note 42 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in Note 42 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries"); or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

- e. The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 43 to the consolidated financial statements, the Board of Directors of the Holding Company has proposed final dividend for the current year which is subject to the approval of the members of the Holding Company at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

The subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.

- f. Based on our examination which included test checks, the Holding Company and its subsidiary companies incorporated in India have used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software.

Further, where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with. Additionally, where audit trail (edit log) facility was enabled in the previous year, the audit trail has been preserved by the the Holding Company and its subsidiary companies incorporated in India as per the statutory requirements for record retention.

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

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

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

Chartered Accountants

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

Arjun Ramesh

Partner

Membership No.: 218495

ICAI UDIN: 25218495BMOPAT1737

Place : Bengaluru

Date : 24 April 2025

INDEPENDENT AUDITOR'S REPORT (Continued)

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Mphasis Limited for the year ended 31 March 2025

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

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

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

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

Chartered Accountants

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

Arjun Ramesh

Partner

Membership No.: 218495

ICAI UDIN: 25218495BMOPAT1737

Place : Bengaluru
Date : 24 April 2025

INDEPENDENT AUDITOR'S REPORT (Continued)

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Mphasis Limited for the year ended 31 March 2025
Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

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

Opinion

In conjunction with our audit of the consolidated financial statements of Mphasis Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Chartered Accountants

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

Arjun Ramesh

Partner

Membership No.: 218495

ICAI UDIN: 25218495BMOPAT1737

Place : Bengaluru

Date : 24 April 2025

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

(₹ million)

	Notes	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,771.09	1,967.33
Capital work-in-progress	3	1.82	136.93
Right-of-use assets	4	6,444.73	7,248.10
Goodwill	5	42,907.06	41,792.68
Other intangible assets	7	6,691.92	4,318.16
Intangible assets under development	7a	-	477.46
Financial assets			
Investments	8	4,237.77	4,971.41
Trade receivables	13	3,196.76	2,771.84
Other financial assets	10	1,752.33	710.95
Deferred tax assets (net)	23	3,246.10	2,856.51
Other tax assets (net)	23	7,966.91	6,419.52
Other assets	11	988.60	1,307.42
Total non-current assets		79,205.09	74,978.31
Current assets			
Financial assets			
Investments	12	17,844.25	25,927.70
Trade receivables	13	28,407.25	24,255.63
Cash and cash equivalents	14	9,863.45	8,049.14
Bank balances other than cash and cash equivalents	15	6,262.35	94.51
Loans	9	385.56	341.97
Other financial assets	10	1,600.39	1,715.29
Other assets	11	5,497.95	5,939.83
Total current assets		69,861.20	66,324.07
TOTAL ASSETS		149,066.29	141,302.38

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

(₹ million)

	Notes	As at 31 March 2025	As at 31 March 2024
EQUITY AND LIABILITIES			
EQUITY			
Share capital	16	1,900.84	1,890.05
Other equity	17	94,383.12	86,055.95
Total equity		96,283.96	87,946.00
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities		5,839.58	6,750.16
Other financial liabilities	18	305.16	2,422.99
Provisions	19	527.46	687.80
Deferred tax liabilities (net)	23	1,623.03	1,299.12
Other tax liabilities (net)	23	-	150.08
Total non-current liabilities		8,295.23	11,310.15
Current liabilities			
Financial liabilities			
Borrowings	21	11,159.43	15,435.67
Lease liabilities		1,883.22	1,700.02
Trade payables	22		
- outstanding dues to micro and small enterprises		35.16	23.98
- outstanding dues to creditors other than micro and small enterprises		9,749.51	7,959.15
Other financial liabilities	18	13,189.28	8,321.19
Other liabilities	20	2,624.38	3,079.59
Provisions	19	3,107.87	2,792.31
Current tax liabilities (net)	23	2,738.25	2,734.32
Total current liabilities		44,487.10	42,046.23
TOTAL EQUITY AND LIABILITIES		149,066.29	141,302.38

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

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

Arjun Ramesh
Partner
Membership No. 218495

Bengaluru
24 April 2025

for and on behalf of the Board of Directors

Nitin Rakesh
Chief Executive Officer & Managing Director
DIN: 00042261
New York

Aravind Viswanathan
Chief Financial Officer

New York
24 April 2025

Maureen Anne Erasmus
Director
DIN: 09419036
London

Sivaramakrishnan Puranam
Senior Vice President &
Company Secretary
Bengaluru

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ million)

	Notes	Year ended 31 March 2025	Year ended 31 March 2024
Income			
Revenue from operations	24	142,299.87	132,785.15
Other income	25	2,550.01	2,178.04
Total income (I)		144,849.88	134,963.19
Expenses			
Employee benefits expense	26	81,446.59	79,253.27
Finance costs	27	1,655.01	1,608.67
Depreciation and amortization expense	28	4,763.37	4,104.99
Other expenses	29	34,383.48	29,313.04
Total expenses (II)		122,248.45	114,279.97
Profit before tax (III) [(I)-(II)]		22,601.43	20,683.22
Tax expense	23		
Current tax		5,535.16	5,775.90
Deferred tax		44.88	(640.88)
Total tax expense		5,580.04	5,135.02
Profit for the year (A)		17,021.39	15,548.20
Other comprehensive income ('OCI')			
Items not to be reclassified to profit or loss in subsequent periods			
Re-measurement (Loss) / gains on defined employee benefit plans		(95.85)	179.47
Income tax effect on the above		23.76	(77.47)
Items to be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of financial statements of foreign operations		858.87	375.11
Net change in fair value of derivatives designated as cash flow hedges		(294.32)	1,210.72
Income tax effect on fair value of derivatives designated as cash flow hedges		74.08	(392.36)
Net change in fair value of investments in debt instruments carried at fair value through OCI		5.25	0.14
Income tax effect on fair value of investments in debt instruments		(1.31)	(0.32)
Total OCI for the year, net of tax (B)		570.48	1,295.29
Total comprehensive income for the year (A+B)		17,591.87	16,843.49
Profit for the year attributable to:			
Equity owners of the Company		17,021.39	15,548.20
Non-controlling interests		-	-
		17,021.39	15,548.20
OCI for the year attributable to:			
Equity owners of the Company		570.48	1,295.29
Non-controlling interests		-	-
		570.48	1,295.29
Total comprehensive income for the year attributable to:			
Equity owners of the Company		17,591.87	16,843.49
Non-controlling interests		-	-
		17,591.87	16,843.49
Earnings per equity share (par value ₹ 10 per share)	30		
Basic (₹)		89.87	82.42
Diluted (₹)		89.36	81.83

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

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

Arjun Ramesh
Partner
Membership No. 218495

Bengaluru
24 April 2025

for and on behalf of the Board of Directors

Nitin Rakesh
Chief Executive Officer & Managing Director
DIN: 00042261
New York

Aravind Viswanathan
Chief Financial Officer
New York
24 April 2025

Maureen Anne Erasmus
Director
DIN: 09419036
London

Sivaramakrishnan
Puranam
Senior Vice President &
Company Secretary
Bengaluru

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

a. Equity share capital

Equity shares of ₹ 10 each issued, subscribed and fully paid	No. in million	₹ million
As at 1 April 2024	189.00	1,890.05
Changes in equity share capital due to prior period errors	-	-
Restated balance as at 1 April 2024	189.00	1,890.05
Issue of shares (refer note 16)	1.08	10.79
As at 31 March 2025	190.08	1,900.84
As at 1 April 2023	188.40	1,884.07
Changes in equity share capital due to prior period errors	-	-
Restated balance as at 1 April 2023	188.40	1,884.07
Issue of shares (refer note 16)	0.60	5.98
As at 31 March 2024	189.00	1,890.05

b. Other equity

(₹ million)

	Attributable to the equity owners of the Company										Total equity attributable to equity shareholders of the Company
	Reserves and surplus							Items of OCI			
	a	b	c	d	e	f	g	h	i	j	
	Securities premium	General reserve	Retained earnings	Capital reserve	Capital redemption reserve	Economic Zone re-investment reserve	Special Share based payments reserve	Cash flow hedging reserve	Investments in debt instruments	Foreign currency translation reserve	
As at 1 April 2024	2,432.99	2,067.15	67,097.38	361.39	251.66	936.37	2,532.56	229.59	(3.40)	10,150.26	86,055.95
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 1 April 2024	2,432.99	2,067.15	67,097.38	361.39	251.66	936.37	2,532.56	229.59	(3.40)	10,150.26	86,055.95
Profit for the year	-	-	17,021.39	-	-	-	-	-	-	-	17,021.39
Other comprehensive income / (losses), net of tax	-	-	(72.09)	-	-	-	-	(220.24)	3.94	858.87	570.48
Total comprehensive income for the year	-	-	16,949.30	-	-	-	-	(220.24)	3.94	858.87	17,591.87
Transactions with owners of the Company											
Dividends	-	-	(10,400.91)	-	-	-	-	-	-	-	(10,400.91)
Issue of shares on exercise of stock options (refer note 16)	1,271.04	52.98	-	-	-	-	(759.33)	-	-	-	564.69
Allotment of bonus shares earlier held in abeyance	-	-	(0.01)	-	-	-	-	-	-	-	(0.01)
Total contributions and distributions	1,271.04	52.98	(10,400.92)	-	-	-	(759.33)	-	-	-	(9,836.23)
Transferred from Special Economic Zone re-investment reserve	-	-	267.54	-	-	(267.54)	-	-	-	-	-
Share based expenses	-	-	-	-	-	-	571.53	-	-	-	571.53
As at 31 March 2025	3,704.03	2,120.13	73,913.30	361.39	251.66	668.83	2,344.76	9.35	0.54	11,009.13	94,383.12

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	Attributable to the equity owners of the Company										Total equity attributable to equity shareholders of the Company
	Reserves and surplus							Items of OCI			
	a	b	c	d	e	f	g	h	i	j	
	Securities premium	General reserve	Retained earnings	Capital reserve	Capital redemption reserve	Economic Zone re-investment reserve	Share based payments reserve	Cash flow hedging reserve	Investments in debt instruments	Foreign currency translation reserve	
As at 1 April 2023	1,773.19	2,045.10	59,600.21	361.39	251.66	2,211.97	2,037.64	(588.77)	(3.22)	9,775.15	77,464.32
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 1 April 2023	1,773.19	2,045.10	59,600.21	361.39	251.66	2,211.97	2,037.64	(588.77)	(3.22)	9,775.15	77,464.32
Profit for the year	-	-	15,548.20	-	-	-	-	-	-	-	15,548.20
Other comprehensive income / (losses), net of tax	-	-	102.00	-	-	-	-	818.36	(0.18)	375.11	1,295.29
Total comprehensive income for the year	-	-	15,650.20	-	-	-	-	818.36	(0.18)	375.11	16,843.49
Transactions with owners of the Company											
Dividends	-	-	(9,428.63)	-	-	-	-	-	-	-	(9,428.63)
Issue of shares on exercise of stock options (refer note 16)	659.80	22.05	-	-	-	-	(386.76)	-	-	-	295.09
Total contributions and distributions	659.80	22.05	(9,428.63)	-	-	-	(386.76)	-	-	-	(9,133.54)
Transferred from Special Economic Zone re-investment reserve	-	-	1,275.60	-	-	(1,275.60)	-	-	-	-	-
Share based expenses	-	-	-	-	-	-	881.68	-	-	-	881.68
As at 31 March 2024	2,432.99	2,067.15	67,097.38	361.39	251.66	936.37	2,532.56	229.59	(3.40)	10,150.26	86,055.95

Gain/ (loss) of ₹ (72.09) and ₹ 102.00 on re-measurement of defined employee benefit plans (net of tax) is recognised as part of retained earnings for the year ended 31 March 2025 and 31 March 2024, respectively.

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

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

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

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

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

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

Arjun Ramesh
Partner
Membership No. 218495

Bengaluru
24 April 2025

for and on behalf of the Board of Directors

Nitin Rakesh
Chief Executive Officer & Managing Director
DIN: 00042261
New York

Aravind Viswanathan
Chief Financial Officer

New York
24 April 2025

Maureen Anne Erasmus
Director
DIN: 09419036
London

**Sivaramakrishnan
Puranam**
Senior Vice President &
Company Secretary
Bengaluru

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS

(₹ million)

	Year ended 31 March 2025	Year ended 31 March 2024
Operating activities		
Profit before tax	22,601.43	20,683.22
Adjustments to reconcile profit before tax to net cash provided by operating activities:		
Depreciation and amortization expense	4,763.37	4,104.99
Profit on sale of property, plant and equipment and intangible assets	(17.97)	(17.50)
Net gain on investments carried at fair value through profit and loss	(1,527.32)	(1,434.87)
Share based payment expenses	571.53	881.68
Provision for expected credit loss	892.06	310.71
Finance costs	1,655.01	1,608.67
Interest income	(927.23)	(528.06)
Gain on lease modifications	(24.95)	(34.05)
Provision for other assets	279.33	139.01
Gain on reversal of contingent consideration	-	(2,004.82)
Unrealized exchange loss / (gain), net	239.02	(37.85)
Operating profit before changes in operating assets and liabilities	28,504.28	23,671.13
Changes in operating assets and liabilities		
Trade receivables	(5,225.11)	371.44
Loans	(41.39)	(52.88)
Other financial assets	(120.06)	(73.04)
Other assets	559.29	3,114.96
Trade payables	1,651.14	(990.67)
Other financial liabilities	1,321.34	966.12
Other liabilities	(503.84)	(133.57)
Provisions	17.48	825.20
Total changes in operating assets and liabilities	(2,341.15)	4,027.56
Income tax paid (net of refunds)	(7,111.11)	(5,901.72)
Net cash flows generated from operating activities (A)	19,052.02	21,796.97

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(₹ million)

	Year ended 31 March 2025	Year ended 31 March 2024
Investing activities		
Purchase of property, plant and equipment and intangible assets	(618.39)	(936.92)
Proceeds from sale of property, plant and equipment and intangible assets	19.71	20.71
Purchase of investments	(90,992.09)	(76,749.58)
Sale of investments	101,478.52	64,851.45
Interest received	463.26	329.07
Payment for business acquisition, net of cash acquired : nil (31 March 2024: ₹ 847.34) (refer note 6)	(2,799.75)	(12,332.99)
Investments in bank deposits	(7,133.94)	(420.94)
Redemption / maturity of bank deposits	23.26	418.47
Net cash flows generated from / (used in) investing activities (B)	440.58	(24,820.73)
Financing activities		
Proceeds from issue of shares	575.47	301.07
Repayment of borrowings	(20,836.44)	(13,421.38)
Availment of borrowings	16,381.84	26,386.34
Interest paid	(963.59)	(833.35)
Repayment of lease liabilities	(1,755.04)	(1,665.52)
Interest on repayment of lease liabilities	(558.35)	(569.27)
Dividends paid	(10,400.99)	(9,427.14)
Net cash flows (used in) / generated from financing activities (C)	(17,557.10)	770.75
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,935.50	(2,253.01)
Effect of exchange rate changes	(121.19)	(138.98)
Cash and cash equivalents at the beginning of the year	8,049.14	10,441.13
Cash and cash equivalents at the end of the year (refer note 14)	9,863.45	8,049.14

Refer note 4 & 21 for supplementary information on cash flow movements

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

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

Arjun Ramesh
Partner
Membership No. 218495

Bengaluru
24 April 2025

for and on behalf of the Board of Directors

Nitin Rakesh
Chief Executive Officer & Managing Director
DIN: 00042261
New York

Aravind Viswanathan
Chief Financial Officer

New York
24 April 2025

Maureen Anne Erasmus
Director
DIN: 09419036
London

Sivaramakrishnan Puranam
Senior Vice President &
Company Secretary
Bengaluru

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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

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

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

The consolidated financial statements for the year ended 31 March 2025 have been approved by the Company's Board of Directors on 24 April 2025.

List of subsidiaries with percentage holding

Subsidiaries	Country of incorporation	Parent	% of holding	
			31 March 2025	31 March 2024
Mphasis Corporation	USA	Mphasis Limited	100	100
Mphasis Deutschland GmbH	Germany	Mphasis Limited	91	91
Mphasis Australia Pty Limited	Australia	Mphasis Limited	100	100
Mphasis (Shanghai) Software & Services Company Limited	China	Mphasis Limited	100	100
Mphasis Consulting Limited	United Kingdom	Mphasis Limited	100	100
Mphasis Ireland Limited	Ireland	Mphasis Limited	100	100
Mphasis Belgium BV	Belgium	Mphasis Limited	100	100
Mphasis Poland s.p.z.o.o.	Poland	Mphasis Limited	100	100
Mphasis Europe BV	The Netherlands	Mphasis Corporation	49.08	59.62
		Mphasis Limited	50.92	40.38
Mphasis Pte Limited	Singapore	Mphasis Europe BV	100	100
Mphasis UK Limited	United Kingdom	Mphasis Europe BV	100	100
Mphasis Software and Services (India) Private Limited	India	Mphasis Europe BV	100	100
Msource Mauritius Inc.	Mauritius	Mphasis Europe BV	100	100
Mphasis Wyde Inc.	USA	Mphasis UK Limited	100	100
Mphasis Philippines Inc.	Philippines	Mphasis Pte Limited	100	100
Msource (India) Private Limited	India	Msource Mauritius Inc.	100	100
Wyde Corporation Inc.	USA	Mphasis Wyde Inc.	100	100
Mphasis Wyde SASU	France	Wyde Corporation Inc.	100	100
Wyde Solutions Canada Inc.	Canada	Wyde Corporation Inc.	100	100
Digital Risk, LLC. *	USA	Mphasis Wyde Inc.	100	100
Digital Risk Mortgage Services, LLC. *	USA	Digital Risk, LLC.	100	100
Investor Services, LLC. *	USA	Digital Risk, LLC.	100	100

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

List of subsidiaries with percentage holding (Continued)

% of holding

Subsidiaries	Country of incorporation	Parent	31 March 2025	31 March 2024
Digital Risk Services, LLC. * (formerly known as Digital Risk Valuation Services, LLC.)	USA	Digital Risk, LLC.	100	100
Stelligent Systems LLC	USA	Mphasis Corporation	100	100
Datalytx Limited	United Kingdom	Mphasis Consulting Limited	100	100
Datalytx MSS Limited	United Kingdom	Datalytx Limited	100	100
Dynamyx Limited	United Kingdom	Datalytx Limited	100	100
Mphasis Digi Information Technology Services (Shanghai) Limited	China	Mphasis (Shanghai) Software & Services Company Limited	100	100
Blink Interactive, Inc	USA	Mphasis Corporation	100	100
Mrald Limited	United Kingdom	Mphasis Consulting Limited	51	51
Mrald Services Limited	United Kingdom	Mrald Limited	100	100
Mphasis Solutions Services Corporation	USA	Mphasis Corporation	100	100
Mrald Services Private Limited	India	Mrald Limited	100	100
eBecs Limited **	United Kingdom	Mphasis Consulting Limited	100	100
eBecs Business Solutions (Ireland) Limited **	Ireland	eBecs Limited	100	100
Sonnick Partners LLC ***	USA	Mphasis Corporation	100	100
Shift US Holdings LLC ***	USA	Sonnick Partners LLC	100	100
Silverline Canada Holdings Inc ***	Canada	Shift US Holdings LLC	100	100
Sonnick CRM Solutions LLP ***	India	Sonnick Partners LLC	99	99
		Mphasis Corporation	1	1
Mphasis Arabia Limited (refer note 1a)	Saudi Arabia	Mphasis Ireland	100	100
Mphasis Lanka (Private) Limited [refer note 1b]	Sri Lanka	Mphasis Limited	100	100
PT. Mphasis Indonesia ****	Indonesia	Mphasis Limited	-	100
Mphasis Infrastructure Services Inc. [refer note 1b]	USA	Mphasis Corporation	100	100

* Forms part of Digital Risk group.

** Acquired w.e.f. 1 July 2023 (refer note 6 (b)).

*** Acquired w.e.f. 12 October 2023 (refer note 6 (c)).

**** Liquidated w.e.f 9 October 2024

List of Trusts that are consolidated.

- Mphasis Employees Benefit Trust.
- Mphasis Employees Equity Reward Trust.
 - a) On 19 December 2023, Mphasis Arabia Limited was incorporated as a wholly owned subsidiary of Mphasis Ireland.
 - b) The application for winding up of Mphasis Lanka (Private) Limited and Mphasis Infrastructure Services Inc has been made.

Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), presentation requirements of Division II of Schedule III to the Act and other relevant provisions of the Act.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation

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

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

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

Basis of consolidation

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

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

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

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

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

Use of estimates, assumptions, and judgements

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

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

CONSOLIDATED FINANCIAL STATEMENTS

Judgments:

- **Revenue recognition (Note 2.1, 24)**
Determination of transaction price; identification of performance obligations and allocation of transaction price; recognition of revenue from performance obligations over time or at a point in time; revenue recognition relating to variable consideration arrangements; recognition of contract fulfilment costs and contract acquisition cost.
- **Business combinations and intangible assets (Note 2.3, 6 & 7)**
Identification of intangible assets that should be recognized separately from goodwill
- **Leases (Note 2.5, 4)**
Assessment of whether or not an arrangement contains a lease, whether the Group is reasonably certain to exercise extension options.

Estimates and assumptions:

- **Revenue recognition for fixed price contracts using percentage of completion method (Note 2.1, 24)**
Estimate of balance to go cost of efforts.
- **Business combinations and intangible assets (Note 2.3, 6 & 7)**
Key assumptions in estimating fair values of the identifiable assets acquired on the acquisition date.
- **Property, plant, and equipment and other intangible assets (Note 2.4, 3 & 7)**
Useful life of property, plant and equipment and other intangible assets.
- **Leases (Note 2.5, 4)**
Determination of applicable discount rate.
- **Impairment of non-financial assets (Note 2.6, 5)**
Impairment test of other intangible assets and goodwill; key assumptions underlying the recoverable amounts and the weighted average cost of capital used to compute the present value.
- **Fair value measurement of financial instruments (Note 2.7, 38)**
Unobservable sources for inputs to determine the fair value.
- **Defined benefit plans (Note 2.8, 37)**
Key actuarial assumptions
- **Taxes (Note 2.11, 23)**
Estimating the most likely outcome of uncertain tax positions; availability of future taxable income against which deductible temporary differences can be utilized
- **Expected credit loss ('ECL') on trade receivables (Note 13)**
Key assumptions in determining the weighted-average loss rate
- **Provisions and contingent liabilities. (Note 2.12, 19, 31)**
Key assumptions about the likelihood and magnitude of an outflow of resources.

2.1 Revenue recognition

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

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

- Revenue from rendering application development and maintenance services comprise income from time-and-material, fixed monthly billings and milestone-based fixed price contracts. Revenues from call center, business & knowledge process outsourcing operations and infrastructure outsourcing services arise from time-based, unit-priced, fixed monthly billings and milestone-based fixed priced contracts.
- Revenue from time and material, unit-priced contracts is recognized on an output basis, measured by units delivered, efforts expended etc.
- Revenue from fixed price contracts is recognized using the percentage-of-completion method, calculated as the proportion of the cost of efforts incurred up to the reporting date to estimated cost of total efforts.
- Fixed Bid monthly milestone-based recognition – The practical expedient of revenue equals invoicing is applied as the amounts invoiced directly correspond with the value transferred to the customer.

CONSOLIDATED FINANCIAL STATEMENTS

- Revenue from fixed price maintenance and support services contracts where the Group is standing ready to provide services is recognized based on time elapsed mode and revenue is straight-lined over the period of performance.
- Revenue from license transactions where customers are given a right to use the intellectual property are recognised upfront at the point in time when the license is delivered to the customer, simultaneously with the transfer of control.
- Revenue from bundled contracts is recognized separately for each performance obligation based on their allocated transaction price (net of variable consideration).
- In cases where implementation and / or customisation services rendered significantly modifies or customises the license, these services and license are accounted for as a single performance obligation and revenue is recognised over time using the percentage-of-completion method, calculated as the proportion of the cost of efforts incurred up to the reporting date to estimated cost of total effort.
- Revenue from the sale of distinct third-party equipment or software is recognised at the point in time when control is transferred to the customer.

The solutions offered by the Group may include supply of third-party equipment or software. In such cases, revenue for supply of such third-party goods are recorded at gross either the Group obtains control of the specified goods or services before it is transferred to the customer or based on a comprehensive evaluation of indicators such as primary obligor, inventory risk, credit risk and pricing latitude. In other cases, revenue is recognised on a net basis.

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

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

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

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

Use of significant judgements in revenue recognition.

- The Group's contracts with customers could include promises to transfer multiple goods and services to a customer. The Group assesses the goods / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of consideration from the customer or variable consideration with elements such as volume discounts, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. The Group has applied the practical expedient provided by Ind AS 1.15, whereby the Group does not adjust the transaction price for the effects of the time value of money where the period between when the control on goods and services transferred to the customer and when payment thereof is due, is one year or less. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct good or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct good or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost-plus margin approach to allocate the transaction price to each distinct performance obligation.

CONSOLIDATED FINANCIAL STATEMENTS

- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how a customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such good or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Use of the percentage-of completion method in accounting for revenue from fixed-price contracts requires the Group to exercise judgment in estimating the balance-to-go cost of efforts. Cost of efforts expended to date as a proportion of the total cost of efforts to be expended is used as a measure to determine the percentage-of completion. Cost of efforts expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.
- Contract fulfilment costs are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.
- Contract acquisition costs are generally expensed as incurred except for certain costs which meet the criteria for capitalization, in particular if such costs are expected to be recovered. Contract acquisition costs are amortized over the contract term, consistent with the pattern of transfer of goods or services to which the asset relates.

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

2.2 Other income

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

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

2.3 Business combinations and goodwill

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

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

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

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

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

2.4 Property, plant and equipment and intangible assets

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

CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

Depreciation and amortization

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

(In years)

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

2.5 Leases

Group as a lessee

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

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

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

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

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

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

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

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

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

Group as a lessor

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

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

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

2.6 Impairment

a. Financial assets (other than at fair value)

For financial assets measured at amortised cost, the Group assesses at each balance sheet date whether the asset is impaired. Ind AS 109 ('Financial instruments') requires expected credit losses to be measured through a loss allowance. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted using the effective

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interest rate. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Group provides for impairment upon the occurrence of the triggering event.

b. Non-financial assets

• Tangible and intangible assets

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

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

• Goodwill

Goodwill is tested for impairment on an annual basis and more often, if there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. The Group estimates the value in use of CGU's based on the future cash flows after considering current economic conditions and trends, estimated future operating margins, revenue growth rate, terminal growth rate, discount rate and estimated future economic and regulatory conditions. These do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance or the CGU being tested for impairment. The estimated cash flows are developed using internal forecasts. The discount rates used for the CGU's represents the weighted average cost of capital based on the historical market return of comparable companies in similar economic conditions.

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

2.7 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments consist of the following:

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

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

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

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- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

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

a. Cash and cash equivalents

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

b. Financial assets at amortised cost

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

c. Financial assets at fair value through other comprehensive income

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

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d. Financial assets at fair value through profit or loss

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

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

d. Financial liabilities

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

Derivative financial instruments

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

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

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

b. Cash flow hedges

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

b. Others

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

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

Offsetting of financial instruments

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

Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk. A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When a quote is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

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

Fair value hierarchy

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

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

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

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

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

De-recognition of financial instruments

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss

2.8 Employee benefits

a. Short-term employee benefits

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

b. Compensated absences

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

c. Defined contribution plans

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

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d. Provident fund

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

e. Gratuity

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

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

2.9 Share based payments

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

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

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

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

2.10 Foreign Currencies

a. Functional currency

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

b. Transactions and balances

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

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

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

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c. Translations

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

2.11 Income taxes

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

• Current income tax

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

• Deferred income tax

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

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

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

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

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

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

2.12 Provisions and contingent liabilities

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event, and it is probable that an outflow embodying economic benefits of resources will be required to settle the obligation. Provisions are determined based on best estimates required to settle each obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

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

2.13 Earnings per share

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

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

2.14 Cash dividend to the equity holders of the Company

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

Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. As at 31 March 2025, MCA has not notified any new standards or amendments to the existing standards which are applicable to the Group.

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3. PROPERTY, PLANT AND EQUIPMENT

(₹ million)

	Plant and equipment	Computer equipment	Servers and networks	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvements	Total
Cost								
At 1 April 2023	224.57	2,948.08	1,461.17	457.43	370.79	45.57	1,027.92	6,535.53
Additions	38.49	115.13	227.78	81.41	29.03	-	173.48	665.32
Acquired through business combination (refer note 6)	0.21	20.80	0.26	0.40	0.12	-	8.65	30.44
Disposals / written off	(30.76)	(76.73)	(180.79)	(4.05)	(40.88)	-	(38.67)	(371.88)
Translation exchange differences from foreign operations	0.66	12.91	7.80	2.83	3.60	0.49	3.68	31.97
At 31 March 2024	233.17	3,020.19	1,516.22	538.02	362.66	46.06	1,175.06	6,891.38
Additions	44.25	128.09	141.21	71.04	30.10	12.91	206.99	634.59
Disposals / written off	(10.70)	(68.80)	(2.74)	(7.01)	(23.16)	(15.37)	(29.18)	(156.96)
Translation exchange differences from foreign operations	0.48	18.37	11.78	4.43	5.33	0.55	3.04	43.98
At 31 March 2025	267.20	3,097.85	1,666.47	606.48	374.93	44.15	1,355.91	7,412.99
Depreciation								
At 1 April 2023	144.99	2,114.82	959.38	279.13	295.55	38.38	454.16	4,286.41
Charge for the year	26.58	543.37	168.75	70.77	38.08	5.88	130.90	984.33
Disposals / written off	(29.26)	(76.33)	(179.67)	(4.04)	(40.70)	-	(38.67)	(368.67)
Translation exchange differences from foreign operations	0.48	9.65	5.08	1.39	3.19	0.43	1.76	21.98
At 31 March 2024	142.79	2,591.51	953.54	347.25	296.12	44.69	548.15	4,924.05
Charge for the year	31.02	358.87	189.22	72.27	30.14	2.74	154.08	838.34
Disposals / written off	(10.25)	(68.46)	(2.74)	(6.53)	(23.15)	(15.37)	(28.72)	(155.22)
Translation exchange differences from foreign operations	0.62	16.45	7.36	2.70	4.95	0.63	2.02	34.73
At 31 March 2025	164.18	2,898.37	1,147.38	415.69	308.06	32.69	675.53	5,641.90
Net block								
At 31 March 2024	90.38	428.68	562.68	190.77	66.54	1.37	626.91	1,967.33
At 31 March 2025	103.02	199.48	519.09	190.79	66.87	11.46	680.38	1,771.09
Capital work-in-progress*								
As at 31 March 2025								1.82
As at 31 March 2024								136.93

* ₹ 136.93 (31 March 2024: ₹ 54.60) has been capitalised and transferred to Property, Plant and Equipment.

Ageing schedule

Particulars (31 March 2025)	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	1.82	-	-	-	1.82
	1.82	-	-	-	1.82
Particulars (31 March 2024)	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	136.93	-	-	-	136.93
	136.93	-	-	-	136.93

There are no assets which are in capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2025 and 31 March 2024.

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4. LEASES

RIGHT-OF-USE ASSETS

(₹ million)

	Buildings	Plant and equipment	Servers and networks	Furniture and fixtures	Vehicles	Total
Cost						
At 1 April 2023	11,117.54	2.32	0.12	0.77	85.90	11,206.65
Additions	1,754.82	-	-	-	-	1,754.82
Modifications / terminations	(185.61)	-	-	-	(0.69)	(186.30)
Retirement on completion of lease term	(314.03)	(2.32)	(0.13)	(0.76)	(4.59)	(321.83)
Translation exchange differences from foreign operations	44.59	-	0.01	(0.01)	0.70	45.29
At 31 March 2024	12,417.31	-	-	-	81.32	12,498.63
Additions	1,127.26	-	-	-	8.18	1,135.44
Modifications / terminations	(184.34)	-	-	-	(19.41)	(203.75)
Retirement on completion of lease term	(1,061.63)	-	-	-	(8.08)	(1,069.71)
Translation exchange differences from foreign operations	66.21	-	-	-	1.34	67.55
At 31 March 2025	12,364.81	-	-	-	63.35	12,428.16
Depreciation						
At 1 April 2023	3,710.75	2.27	0.12	0.77	23.74	3,737.65
Charge for the year	1,865.16	0.05	-	-	22.23	1,887.44
Modifications / terminations	(72.54)	-	-	-	-	(72.54)
Retirement on completion of lease term	(314.03)	(2.32)	(0.13)	(0.76)	(4.59)	(321.83)
Translation exchange differences from foreign operations	19.59	-	0.01	(0.01)	0.22	19.81
At 31 March 2024	5,208.93	-	-	-	41.60	5,250.53
Charge for the year	1,880.77	-	-	-	20.40	1,901.17
Modifications / terminations	(117.01)	-	-	-	(11.74)	(128.75)
Retirement on completion of lease term	(1,061.63)	-	-	-	(8.08)	(1,069.71)
Translation exchange differences from foreign operations	29.45	-	-	-	0.74	30.19
At 31 March 2025	5,940.51	-	-	-	42.92	5,983.43
Net block						
At 31 March 2024	7,208.38	-	-	-	39.72	7,248.10
At 31 March 2025	6,424.30	-	-	-	20.43	6,444.73

During the year ended 31 March 2025, the Group incurred expenses amounting to ₹ 166.68 (31 March 2024: ₹ 229.98) towards short-term leases and leases of low-value assets. For the year ended 31 March 2025, the total cash outflows for leases, including short-term leases and low-value assets amounted to ₹ 2,480.07 (31 March 2024: ₹ 2,464.77).

There are no leases yet to be commenced as at 31 March 2025 (31 March 2024: ₹ nil), to which the Group is committed to as a lessee.

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

The following table presents the various components of lease costs:

	Year ended 31 March 2025	Year ended 31 March 2024
Depreciation	1,901.17	1,887.44
Interest on lease liabilities	558.35	569.27
	2,459.52	2,456.71

CONSOLIDATED FINANCIAL STATEMENTS

4. LEASES (Continued)

(₹ million)

	Year ended 31 March 2025	Year ended 31 March 2024
Lease liabilities		
Balance as per previous financial statements	8,450.18	8,542.90
Additions	1,089.48	1,694.85
Deletions	(99.95)	(147.81)
Interest expense	558.35	569.27
Repayment of lease liabilities including interest	(2,313.39)	(2,234.79)
Non-cash changes	38.13	25.76
Closing balance	7,722.80	8,450.18

5. GOODWILL

	As at 31 March 2025	As at 31 March 2024
Balance as per previous financial statements	41,792.68	29,585.89
Acquisition through business combination (refer note 6)	-	11,653.41
Translation exchange differences	1,114.38	553.38
	42,907.06	41,792.68

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

Below is the CGU wise break-up of goodwill	As at 31 March 2025	As at 31 March 2024
Mortgage (including Digital Risk)	10,397.81	10,146.00
Sonnick	7,652.72	7,467.39
Blink	5,968.54	5,824.00
Insurance PAS (including Wyde)	4,791.66	4,675.61
Artificial Intelligence (including KORE)	2,869.38	2,799.90
Business process outsourcing	2,702.14	2,635.72
Infrastructure Services	2,394.00	2,336.02
Cloud (including Stelligent)	1,868.43	1,823.18
Eldorado	1,510.80	1,474.18
Data (including Datalytx)	652.53	619.11
MS Dynamics (including eBECS)	1,375.82	1,305.35
Mrald	177.88	168.77
Consulting	545.35	517.45
	42,907.06	41,792.68

Goodwill impairment testing

Goodwill is tested for impairment on an annual basis. The recoverable amount of a CGU is the higher of its fair value less cost of disposal and its value-in-use. The recoverable amount of all CGU's are based on its value-in-use. The value-in-use is determined based on cash flow projections over a period of five years and terminal growth rate thereafter.

The key assumptions used in the estimation of value in use were as follows.

As at 31 March 2025

	Mortgage (including Digital risk)	Sonnick	Blink	Artificial intelligence (Including KORE)	Others
Revenue growth rate	13.98%	31.50%	21.20%	5.40%	5%-16%
Terminal growth rate	3.00%	3.00%	3.00%	3.00%	2%-3%
Operating margins	17.14%	18.26%	14.80%	28.96%	8%-39%
Post tax discount rate	19.00%	19.50%	19.00%	19.50%	14%-22%

CONSOLIDATED FINANCIAL STATEMENTS

5. GOODWILL (Continued)

As at 31 March 2024

	Mortgage (including Digital risk)	Sonnick	Blink	Artificial intelligence (Including KORE)	Others
Revenue growth rate	16.79%	NA*	23.72%	NA*	5%-14%
Terminal growth rate	2.75%	NA*	2.75%	NA*	2%-2.75%
Operating margins	15.74%	NA*	15.58%	NA*	13%-37%
Post tax discount rate	18.00%	NA*	18.00%	NA*	14%-21%

* Period ended 31 March 2025 is the first year of impairment testing.

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

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

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

Recoverable amount of all CGU's exceeded their carrying amounts, and hence no impairment losses were recognized during the year (31 March 2024: ₹ nil).

6. BUSINESS COMBINATION

a. Kore

On 23 June 2023, the Company through its wholly owned subsidiary, Mphasis Corporation, acquired the professional services business of Kore.ai (Kore). Kore provides an end-to-end, comprehensive AI powered "no-code" platform that serves as a secure foundation for enterprises to design, build, test, host and deploy AI-rich virtual assistants, process assistants and conversational digital apps across different digital and voice channels. For convenience purposes, the Group has consolidated the results of the professional services business of Kore in its consolidated financial statements with effect from 1 April 2023.

The Group will benefit from Kore's capabilities in professional services business. The acquisition was executed through an agreement for a cash consideration of ₹ 4,922.55 million (USD 60.00 million) payable over a 3-year period. Based on purchase price allocation carried out, the excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The following table shows the final allocation of purchase price: (₹ million)

Description	Useful life	Fair value adjustments	Purchase price allocated
Customer contracts	3 years	1,391.55	1,391.55
Other assets		410.21	410.21
Total		1,801.76	1,801.76
Goodwill			2,754.16
Total purchase price			4,555.92

The goodwill of ₹ 2,754.16 million comprises value of acquired workforce and expected synergies arising from the business combination. The identified intangible assets and goodwill are tax-deductible. Goodwill has been allocated to Artificial Intelligence (including KORE), being a Cash Generating Unit ('CGU').

b. eBecs

On 1 July 2023, the Company through its wholly owned subsidiary, Mphasis Consulting Limited, obtained control of eBecs Limited and its subsidiaries ('eBecs') by acquiring 100% of its shares. eBecs, is a Microsoft Gold Partner delivering Microsoft Business Solutions and Managed Services globally. As one of the large Microsoft Dynamics partners in the UK and Ireland region, eBecs helps customers digitally transform their businesses, cut complexity and cost, improve customer service and drive growth.

The acquisition was executed through a share purchase agreement for a cash consideration of ₹ 1,439.14 million (USD 17.18 million). The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

CONSOLIDATED FINANCIAL STATEMENTS

6. BUSINESS COMBINATION (Continued)

The following table shows the final allocation of purchase price:

(₹ million)

Description	Useful life	Pre-acquisition carrying amount	Fair value adjustments	Purchase price allocated
Net assets		(240.30)	(8.78)	(249.08)
Customer relationships	8 years		412.82	412.82
Total			404.04	163.74
Goodwill				1,275.40
Total purchase price				1,439.14

Net assets acquired include trade receivables valued at ₹ 305.17 million. Trade receivables are expected to be collected in full. Goodwill of ₹ 1,275.40 million comprises value of acquired workforce and expected synergies arising from the acquisition. The customer relationships and goodwill are tax deductible. Goodwill has been allocated to MS Dynamics (including eBECs), being a Cash Generating Unit ('CGU').

For the year ended 31 March 2024, Kore and eBecs contributed ₹ 3,202.83 million to the Group's revenues. Impact on the consolidated profits is not material.

c. Sonnick

On 12 October 2023, the Company through its wholly owned subsidiary, Mphasis Corporation, obtained control of Sonnick Partners LLC and its subsidiaries ('Sonnick') by acquiring 100% of its shares. Sonnick is Salesforce service partner aligned to key industry verticals like financial services, healthcare, and media & entertainment. It guides clients through their digital transformation with consulting and advisory services, implementation, and managed services. The Group will benefit from Sonnick's expertise in Salesforce implementation and managed services business. For convenience purposes, the Group has consolidated the results of Sonnick in its consolidated financial statements with effect from 1 October 2023.

The acquisition was executed through a share purchase agreement for a cash consideration of ₹ 10,191.11 million (USD 122.41 million). The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The following table shows the final allocation of purchase price:

Description	Useful life	Pre-acquisition carrying amount	Fair value adjustments	Purchase price allocated
Net assets		475.25	-	475.25
Order backlog	1.5 years	-	93.57	93.57
Sales force summit partnership	5 years	-	1,142.87	1,142.87
Customer relationships	7 years	-	880.19	880.19
Brand	3 years	-	141.09	141.09
Others	1 years	-	4.16	4.16
Total		475.25	2,261.88	2,737.13
Goodwill				7,453.98
Total purchase price				10,191.11

Net assets acquired include ₹ 847.34 million of cash and cash equivalents and trade receivables valued at ₹ 540.53 million. Trade receivables are expected to be collected in full. Goodwill of ₹ 7,453.98 million comprises value of acquired workforce and expected synergies arising from the acquisition. The intangibles and goodwill are tax deductible. Goodwill has been allocated to Sonnick, being a Cash Generating Unit ('CGU').

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

For the year ended 31 March 2024, Sonnick contributed ₹ 2,263.78 million to the Group's revenues. Impact on the consolidated profits is not material.

d. Ardonagh

On 23 December 2021, the Company through its wholly owned subsidiary, Mphasis Consulting Limited, had entered into a business venture agreement ('BVA') with Ardonagh Services Limited ('Ardonagh'), pursuant to which the Group and Ardonagh had agreed to set up a shared service entity, namely 'Mrald' to service middle and back office services business of Ardonagh. On 31 December 2023, the Group completed the business combination pursuant to the BVA.

CONSOLIDATED FINANCIAL STATEMENTS

6. BUSINESS COMBINATION (Continued)

The BVA would provide enabling operational services and transformation for insurance intermediary services and reinsurance including client administration, payment processing, claims processing, procurement, data management and storage software management and network and security solution. The total purchase consideration paid to Ardonagh for this transaction amounted ₹ 317.15 million (GBP 3.00 million) and was fully discharged in cash. Based on purchase price allocation carried out, the excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The following table shows the final allocation of purchase price:

(₹ million)

Description	Useful life	Pre-acquisition carrying amount	Fair value adjustments	Purchase price allocated
Net assets		-	-	-
Customer contracts	7 years		147.28	147.28
Total		-	147.28	147.28
Goodwill		-		169.87
Total purchase price				317.15

The goodwill of ₹ 169.87 million comprises value of acquired workforce and expected synergies arising from the business combination. The identified intangible assets and goodwill are tax-deductible. Goodwill has been allocated to Mrald, being a Cash Generating Unit ('CGU').

The revenue and profits included in the consolidated financial statements, pursuant to Mrald acquisition are not material.

Had the above acquisitions occurred on 1 April 2023, management estimates that consolidated revenue would have been ₹ 135,825.38 million, the consolidated profits for the year ended 31 March 2024 would not have been significantly different from the actuals reported. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 April 2023.

e. EDZ

On 10 October 2024, the Company through its wholly owned subsidiary, Mphasis Corporation obtained control over cyber security business of EDZ systems ("EDZ"), focused on servicing a strategic customer of the company. As part of this transaction, certain identified employees / subcontractors of EDZ were taken over and a revenue contract with an identified customer was novated to Mphasis Corporation. The Group will benefit from EDZ's capabilities in cybersecurity services business. The acquisition was executed for a consideration of ₹ 1,424.56 million (USD 17.00 million) is payable over a period of 16 months. The present value of which amounts to ₹ 1,396.03 million (USD 16.66 million). This is inclusive of a contingent consideration of ₹ 558.05 million (USD 6.66 million), payable subject to achieving certain defined milestones. The identified intangible assets are tax-deductible.

The following table shows the final allocation of purchase price:

Description	Useful life	Fair value adjustments	Purchase price allocated
Customer relationship	4.25 years	1,228.43	1,228.43
Customer contracts	0.25 years	167.60	167.60
Total		1,396.03	1,396.03
Goodwill			-
Total purchase price			1,396.03

f. tsQs

On 12 February 2025, the Company through its wholly owned subsidiary, Mphasis Corporation obtained control over software testing business of tsQs Inc ("tsQs") focused on servicing a strategic customer of the Company. As part of this transaction, certain identified employees of tsQs were taken over and a revenue contract with an identified customer was novated to Mphasis Corporation. The acquisition was executed for a consideration of ₹ 2,307.83 million (USD 27.00 million) is payable over a period of 12 months. The present value of which amounts to ₹ 2,266.78 million (USD 26.52 million). This is inclusive of a contingent consideration of ₹ 1,241.08 million (USD 14.52 million), payable subject to achieving certain defined milestones. The identified intangible assets are tax-deductible.

The following table shows the final allocation of purchase price:

Description	Useful life	Fair value adjustments	Purchase price allocated
Customer relationship	4 years	1,994.57	1,994.57
Customer contracts	0.5 years	272.21	272.21
Total		2,266.78	2,266.78
Goodwill			-
Total purchase price			2,266.78

CONSOLIDATED FINANCIAL STATEMENTS

6. BUSINESS COMBINATION (Continued)

For the year ended 31 March 2025, EDZ and tsQs contributed ₹ 1,399.76 million to the Group's revenues. Impact on the consolidated profits is not material. Had the above acquisitions occurred on 1 April 2024, management estimates that consolidated revenue would have been ₹ 144,378.90 million, the consolidated profits for the year ended 31 March 2025, would not have been significantly different from the actuals reported. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 April 2024.

7. OTHER INTANGIBLE ASSETS

(₹ million)

	Computer software	Customer related intangibles	Non compete agreement	Business alliance partnership	Brands	Others	Total
Cost							
At 1 April 2023	2,331.33	1,219.06	596.62	185.00	414.18	199.01	4,945.20
Additions	4.58	-	-	-	-	4.16	8.74
Acquired through business combination (refer note 6)	-	2,925.42	-	1,142.87	141.09	4.16	4,213.54
Disposals	(0.09)	-	-	-	-	-	(0.09)
Translation exchange differences from foreign operations	24.35	284.09	8.96	39.68	(270.11)	2.98	89.95
At 31 March 2024	2,360.17	4,428.57	605.58	1,367.55	285.16	210.31	9,257.34
Additions	579.44	-	-	-	-	-	579.44
Acquired through business combination (refer note 6)	-	3,662.81	-	-	-	-	3,662.81
Disposals	(44.93)	-	-	-	-	-	(44.93)
Translation exchange differences from foreign operations	60.02	(83.44)	15.03	4.20	292.52	0.96	289.29
At 31 March 2025	2,954.70	8,007.94	620.61	1,371.75	577.68	211.27	13,743.95
Amortization							
At 1 April 2023	1,930.03	915.00	362.79	111.06	133.36	199.01	3,651.25
Charge for the year	229.38	589.34	67.78	237.63	107.02	2.08	1,233.23
Disposals	(0.09)	-	-	-	-	-	(0.09)
Translation exchange differences from foreign operations	22.19	17.26	6.02	3.23	3.12	2.97	54.79
At 31 March 2024	2,181.51	1,521.60	436.59	351.92	243.50	204.06	4,939.18
Charge for the year	120.61	1,444.44	69.35	253.97	133.40	2.09	2,023.86
Disposals	(44.93)	-	-	-	-	-	(44.93)
Translation exchange differences from foreign operations	43.33	157.33	11.54	(91.72)	8.32	5.12	133.92
At 31 March 2025	2,300.52	3,123.37	517.48	514.17	385.22	211.27	7,052.03
Net block							
At 31 March 2024	178.66	2,906.97	168.99	1,015.63	41.66	6.25	4,318.16
At 31 March 2025	654.18	4,884.57	103.13	857.58	192.46	-	6,691.92

7a. INTANGIBLE ASSETS UNDER DEVELOPMENT

Ageing schedule

Particulars (31 March 2025)	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	-	-	-	-	-
	-	-	-	-	-
Particulars (31 March 2024)					
Projects in progress	208.22	269.24	-	-	477.46
	208.22	269.24	-	-	477.46

There are no intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2025 and 31 March 2024.

CONSOLIDATED FINANCIAL STATEMENTS

8. NON-CURRENT INVESTMENTS

	As at 31 March 2025			As at 31 March 2024		
	Units	NAV (₹)	₹ million	Units	NAV (₹)	₹ million
Investments measured at FVTPL						
Quoted Target maturity date ETF						
Bharat Bond ETF	1,120,130	1,282.46	1,436.52	1,120,130	1,213.91	1,359.73
Bharat Bond FOF	79,637,328	12.72	1,012.78	79,637,328	12.05	959.45
Investments measured at FVTOCI						
Quoted State Development Loans						
7.19% Gujarat State Development Loan 25JAN27	219	1,007,906.00	220.38	219	995,193.00	217.60
8.05% GUJ 31JAN28	-	-	-	100	1,022,184.00	102.22
7.21% GUJ 09AUG27	-	-	-	150	994,372.00	149.16
7.16% MH 28SEP26	-	-	-	83	996,182.00	82.30
7.62% GJ 01NOV27	-	-	-	150	1,007,099.00	151.06
6.24% MH 11AUG26	-	-	-	200	977,045.00	195.41
7.69% GJ 20DEC27	-	-	-	100	1,009,169.00	100.92
7.05% GJ 14DEC26	-	-	-	50	993,100.00	49.66
7.37% MH14SEP2026	-	-	-	100	1,000,823.00	100.08
Investments measured at amortized cost						
Quoted debentures						
7.70% HDB Financial Services Ltd	-	-	-	500	1,045,559.23	522.78
7.9712% Kotak Mahindra Investments Ltd	-	-	-	2,500	104,280.43	260.70
7.96% HDB Financial Services Ltd Nov25	-	-	-	150	1,025,155.73	153.77
7.84% HDB Financial Services Ltd 2026	250	1,050,455.51	262.61	250	1,046,307.53	261.58
8.0610% ICICI Home Finance Company Ltd 2026	-	-	-	150	1,001,545.75	150.23
8.0041% Kotak Mahindra Investments Ltd Nov25	-	-	-	150	1,031,746.94	154.76
8.3333% HDB Financial Services 06 Aug 2027	5,000	106,246.47	531.23	-	-	-
7.9050% Tata Capital Limited 03 DEC 2026	2,500	105,250.58	263.13	-	-	-
7.882% Secured NCDs Axis Finance Limited Nov 2027	5,000	102,224.24	511.12	-	-	-
		4,237.77				4,971.41
Aggregate value of quoted non-current investments		4,237.77				4,971.41
Market value of quoted non-current investments		4,255.76				4,945.28

CONSOLIDATED FINANCIAL STATEMENTS

9. LOANS

(₹ million)

	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Unsecured - considered good				
Employee advances	-	-	385.56	341.97
	-	-	385.56	341.97
Less: Loss allowance	-	-	-	-
	-	-	385.56	341.97

10. OTHER FINANCIAL ASSETS

	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Unsecured - considered good				
Bank deposits (refer note 15)*	952.15	2.34	15.95	22.93
Accrued interest	-	-	0.56	14.42
Foreign exchange derivative assets	140.72	52.17	113.47	339.28
Lease Deposits	659.46	656.44	1,362.14	1,307.29
Others	-	-	108.27	31.37
	1,752.33	710.95	1,600.39	1,715.29

* Includes restricted deposits of ₹ 18.11 (31 March 2024: ₹ 25.11) placed as a lien against bank guarantees/statutory registration purposes/claims.

11. OTHER ASSETS

	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Unsecured - considered good				
Contract assets	402.50	-	469.87	143.47
Contract fulfilment cost	-	-	-	2.09
Contract acquisition cost	397.28	752.15	674.56	652.64
	799.78	752.15	1,144.43	798.20
Less: Loss allowance	188.41	-	-	-
	611.37	752.15	1,144.43	798.20
Unsecured - considered good				
Travel advances	-	-	6.27	9.98
Prepaid expenses	101.20	152.33	1,408.16	1,297.11
Advances to suppliers	-	-	249.80	350.34
Net assets for defined benefit plan (Refer note 37)	64.38	185.17	-	-
Indirect tax recoverable	211.65	217.77	2,689.29	3,206.19
Others	-	-	-	278.01
	377.23	555.27	4,353.52	5,141.63
	988.60	1,307.42	5,497.95	5,939.83

CONSOLIDATED FINANCIAL STATEMENTS

12. CURRENT INVESTMENTS

	As at 31 March 2025			As at 31 March 2024		
	Units	NAV (₹)	₹ million	Units	NAV (₹)	₹ million
Investments measured at FVTPL						
Quoted mutual funds						
Kotak Equity Arbitrage Fund Direct growth	73,120,269	39.35	2,877.49	38,448,734	36.39	1,399.02
Edelweiss Arbitrage Fund - Direct Plan Growth	75,305,364	20.44	1,539.50	-	-	-
Nippon India Arbitrage Advantage Fund-Direct Plan	7,270,976	28.20	205.02	124,218,945	26.14	3,246.60
HDFC Arbitrage Fund - Wholesale Growth Option - Direct Plan	91,441,200	19.83	1,813.10	-	-	-
HDFC Ultra Short Term Fund - Direct Plan - Growth	125,773,357	15.18	1,909.62	326,528,308	14.09	4,600.38
Bandhan Liquid Fund - Direct Plan - Growth (IDFC)	517,633	3,132.53	1,621.50	1,365,767	1,888.50	2,579.25
Bandhan Low Duration Fund - Direct Plan - Growth (IDFC)	19,412,735	38.71	751.54	19,412,735	35.94	697.77
Invesco India Money Market Fund - Direct Plan - Growth	-	-	-	243,507	2,870.00	698.87
UTI Overnight Fund - Direct Plan - Growth	74,573	3,495.07	260.64	-	-	-
ICICI Prudential Money Market Fund - Direct Plan - Growth	6,704,375	376.67	2,525.32	13,816,615	349.23	4,825.16
Tata Arbitrage Fund-Direct Plan-Growth	-	-	-	134,880,016	13.73	1,852.23
Kotak Savings Fund - Direct Plan - Growth	9,328,703	44.05	410.93	90,060,016	40.91	3,684.36
ABSL Overnight Fund - Direct Plan - Growth	-	-	-	1,199,301	1,295.05	1,553.15
Quoted debentures *						
Kotak Mahindra Investment Limited	-	-	-	5,000	108,870.00	544.35
Investments measured at amortized cost						
Quoted debentures						
7.70% HDB Financial Services Ltd	500	1,048,142.80	524.07	-	-	-
7.9712% Kotak Mahindra Investments Ltd	2,500	104,258.59	260.65	-	-	-
6.30% HDB Financial Services Ltd 2025	-	-	-	250.00	986,247.10	246.56
7.96% HDB Financial Services Ltd Nov25	150	1,027,700.27	154.16	-	-	-
8.0041% Kotak Mahindra Investments Ltd Nov25	150	1,034,034.61	155.11	-	-	-
7.50% HDB Financial Services Ltd 23 Sep 2025	500	1,037,127.19	518.56	-	-	-
7.9000% Bajaj Finance 17 Nov 2025	500	1,029,653.36	514.83	-	-	-
8.30% Tata Capital Ltd 13TH MAR 2026	3,500	100,817.10	352.86	-	-	-
7.8376% Kotak Mahindra Prime Limited 2025	500	1,053,817.33	526.91	-	-	-
7.38% Kotak Mahindra Prime Limited 2025	500	1,042,553.35	521.28	-	-	-
8.0610% ICICI Home Finance Company Ltd 2026	1,500	100,154.57	150.23	-	-	-
7.99% HDB Financial Services Ltd Mar 2026	2,500	100,370.17	250.93	-	-	-
		17,844.25				25,927.70
Aggregate value of quoted current investments		17,844.25				25,927.70
Market value of quoted current investments		17,841.66				25,928.19

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

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13. TRADE RECEIVABLES

(₹ million)

	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Unsecured – considered good				
Trade receivables	-	-	11,194.58	12,175.47
Allowances for doubtful receivables	-	-	(316.68)	(348.59)
	-	-	10,877.90	11,826.88
Credit impaired				
Trade receivables	-	-	1,242.42	736.05
Allowance for doubtful receivables	-	-	(1,242.42)	(736.05)
	-	-	-	-
Unbilled receivables	3,391.64	2,771.84	18,166.24	13,019.63
Allowances for doubtful receivables	(194.88)	-	(636.89)	(590.88)
	3,196.76	2,771.84	17,529.35	12,428.75
	3,196.76	2,771.84	28,407.25	24,255.63

Information about the Group's exposure to credit and market risks, and impairment losses for trade receivables is included in note 39.

Trade receivables ageing schedule

Particulars (31 March 2025)	Outstanding for following periods from due date of payment						Unbilled receivables	Total
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years		
Undisputed Trade receivables – considered good	4,853.75	4,222.62	1,516.88	499.47	0.09	101.77	18,166.24	29,360.82
Undisputed Trade receivables – credit impaired	-	105.61	4.32	172.81	254.14	337.43	-	874.31
Disputed Trade receivables – credit impaired	-	-	-	-	-	368.11	-	368.11
	4,853.75	4,328.23	1,521.20	672.28	254.23	807.31	18,166.24	30,603.24
Expected credit loss								(2,195.99)
	4,853.75	4,328.23	1,521.20	672.28	254.23	807.31	18,166.24	28,407.25

Particulars (31 March 2024)	Outstanding for following periods from due date of payment						Unbilled receivables	Total
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years		
Undisputed Trade receivables – considered good	6,994.51	4,509.64	253.89	137.83	122.58	156.94	13,019.63	25,195.02
Undisputed Trade receivables – credit impaired	-	40.45	-	142.37	-	185.44	-	368.26
Disputed Trade receivables – considered good	-	-	-	-	-	0.08	-	0.08
Disputed Trade receivables – credit impaired	-	-	-	-	-	367.79	-	367.79
	6,994.51	4,550.09	253.89	280.20	122.58	710.25	13,019.63	25,931.15
Expected credit loss								(1,675.52)
	6,994.51	4,550.09	253.89	280.20	122.58	710.25	13,019.63	24,255.63

Non-current trade receivables represent unbilled portion of trade receivables amounting to ₹ 3,196.76 (31 March 2024: ₹ 2,771.84). Hence, ageing has not been separately disclosed.

CONSOLIDATED FINANCIAL STATEMENTS

13. TRADE RECEIVABLES (Continued)

Relationship with struck off companies

(₹ million)

Name of struck off company (31 March 2025)	Nature of transactions	Transactions during the year	Balance outstanding	Company	Relationship
Metadata Technologies Private Limited*	Receivables	-	25.28	Mphasis Limited	Customer
Name of struck off company (31 March 2024)					
Metadata Technologies Private Limited*	Receivables	-	25.28	Mphasis Limited	Customer

* The above amounts have been fully provided for.

14. CASH AND CASH EQUIVALENTS

	As at 31 March 2025	As at 31 March 2024
In current accounts	7,671.28	7,407.68
Deposits with original maturity of less than 3 months	2,192.16	641.45
Cash on hand	0.01	0.01
	9,863.45	8,049.14

15. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Deposits with original maturity of more than 12 months	952.15	2.34	-	-
Deposits with original maturity of more than 3 months and less than 12 months	-	-	6,254.36	93.42
Earmarked balances with bank				
Unclaimed dividend	-	-	23.94	24.02
	952.15	2.34	6,278.30	117.44
Disclosed under other financial assets (refer note 10)	(952.15)	(2.34)	(15.95)	(22.93)
	-	-	6,262.35	94.51

16. EQUITY SHARE CAPITAL

	As at 31 March 2025	As at 31 March 2024
Authorised share capital		
245,000,000 (31 March 2024: 245,000,000) equity shares of ₹ 10 each	2,450.00	2,450.00
Issued, subscribed and fully paid-up shares		
190,076,841 (31 March 2024: 188,997,999 equity shares of ₹ 10 each fully paid-up)	1,900.77	1,889.98
Add: Amount originally paid-up on forfeited shares	0.07	0.07
Total issued, subscribed and fully paid-up share capital	1,900.84	1,890.05

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

	As at 31 March 2025		As at 31 March 2024	
	Number of shares	₹ million	Number of shares	₹ million
At the beginning of the year	188,997,999	1,889.98	188,400,043	1,884.00
Issue of shares upon exercise of stock options (refer note 17)	1078,142	10.78	597,956	5.98
Allotment of bonus shares earlier held in abeyance	700	0.01	-	-
Outstanding at the end of the year	190,076,841	1,900.77	188,997,999	1,889.98

CONSOLIDATED FINANCIAL STATEMENTS

16. EQUITY SHARE CAPITAL (Continued)

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

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

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

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

	As at 31 March 2025	As at 31 March 2024
BCP Topco IX Pte. Ltd (subsidiary of the ultimate holding company) *		
76,299,642 (31 March 2024: 104,799,642) equity shares of ₹ 10 each fully paid	762.99	1,048.00

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

Shares held by promoters	As at 31 March 2025		As at 31 March 2024		% of change during the year
Promoter name	No. of shares	% of total shares	No. of shares	% of total shares	
BCP Topco IX Pte. Ltd	76,299,642	40.14	104,799,642	55.45	15.31%

Shares held by promoters	As at 31 March 2024		As at 31 March 2023		% of change during the year
Promoter name	No. of shares	% of total shares	No. of shares	% of total shares	
BCP Topco IX Pte. Ltd	104,799,642	55.45	104,799,642	55.63	0.18%

(d) Equity shares movement during five years immediately preceding 31 March 2025.

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

	As at 31 March 2025	As at 31 March 2024
Equity shares allotted as fully paid bonus shares by capitalization of retained earnings	2,100	1,400

(ii) Equity shares extinguished / cancelled on buy back

The Company has not made any buy back of equity shares in current year or during the preceding five years.

(iii) Number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash: 31 March 2025: nil (31 March 2024: nil).

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

Name of the shareholder	As at 31 March 2025		As at 31 March 2024	
	Number of shares	% of holding	Number of shares	% of holding
BCP Topco IX Pte. Ltd	76,299,642	40.14	104,799,642	55.45

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

(f) Shares reserved for issue under options

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

CONSOLIDATED FINANCIAL STATEMENTS

17. OTHER EQUITY

(₹ million)

	As at 31 March 2025	As at 31 March 2024
Securities premium		
Balance as per previous financial statements	2,432.99	1,773.19
Premium received on issue of shares on exercise of options	564.69	295.09
Transferred from share based payment reserve, on exercise of options	706.35	364.71
Closing balance	3,704.03	2,432.99
General reserve		
Balance as per previous financial statements	2,067.15	2,045.10
Transfer from share based payments reserve	52.98	22.05
Closing balance	2,120.13	2,067.15
Retained earnings		
Balance as per previous financial statements	67,097.38	59,600.21
Re-measurement gains / (losses) on defined benefit plans	(72.09)	102.00
Profit for the year	17,021.39	15,548.20
Allotment of bonus shares earlier held in abeyance	(0.01)	-
Transferred from Special Economic Zone re-investment reserve	267.54	1,275.60
Less: Appropriations		
Dividends	10,400.91	9,428.63
Total appropriations	10,400.91	9,428.63
Closing balance	73,913.30	67,097.38
Capital reserve		
Balance as per previous financial statements	361.39	361.39
Closing balance	361.39	361.39
Capital redemption reserve		
Balance as per previous financial statements	251.66	251.66
Closing balance	251.66	251.66
Share based payments reserve		
Balance as per previous financial statements	2,532.56	2,037.64
Expense for the year	571.53	881.68
Transferred to securities premium on exercise of options	(706.35)	(364.71)
Transfer to general reserve	(52.98)	(22.05)
Closing balance	2,344.76	2,532.56
Special Economic Zone re-investment reserve		
Balance as per previous financial statements	936.37	2,211.97
Transferred to retained earnings	-	(1,013.53)
Utilization during the year	(267.54)	(262.07)
Closing balance	668.83	936.37
Cash flow hedging reserve		
Balance as per previous financial statements	229.59	(588.77)
Changes in fair value during the year, (net)	(294.32)	1,210.72
Income tax effect on the above	74.08	(392.36)
Closing balance	9.35	229.59
Debt instruments through OCI		
Balance as per previous financial statements	(3.40)	(3.22)
Transactions during the year	5.25	0.14
Income tax effect on the above	(1.31)	(0.32)
Closing balance	0.54	(3.40)
Foreign currency translation reserve		
Balance as per previous financial statements	10,150.26	9,775.15
Transactions during the year	858.87	375.11
Closing balance	11,009.13	10,150.26
Total other equity	94,383.12	86,055.95

Dividend on equity shares paid during the year ended 31 March 2025

The Board of Directors, at its meeting held on 25 April 2024 had proposed the final dividend of ₹ 55 per share for the year ended 31 March 2024 which was approved by the shareholders at the Annual General meeting held on 25 July 2024. This resulted in a cash outflow of ₹ 10,400.91 million.

CONSOLIDATED FINANCIAL STATEMENTS

17. OTHER EQUITY (Continued)

Dividend on equity shares paid during the year ended 31 March 2024

The Board of Directors, at its meeting held on 27 April 2023 had proposed the final dividend of ₹ 50 per share for the year ended 31 March 2023 which was approved by the shareholders at the Annual General meeting held on 20 July 2023. This resulted in a cash outflow of ₹ 9,427.14 million.

Employee Stock Option Plans - Equity settled.

Employees Stock Option Plan 1998 (the 1998 Plan)

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

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

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

	Year ended 31 March 2025		Year ended 31 March 2024	
	No. of options	Weighted Average Exercise Price (₹)	No. of options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning	46,504	34.38	46,504	34.38
Exercised	-	-	-	-
Options outstanding at the end	46,504	34.38	46,504	34.38
Exercisable at the end	46,504	34.38	46,504	34.38

The options outstanding as at 31 March 2025 have an exercise price of ₹ 34.38 (31 March 2024: ₹ 34.38).

Employees Stock Option Plan - 2016 (the 2016 Plan)

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

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

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

	Year ended 31 March 2025		Year ended 31 March 2024	
	No. of options	Weighted Average Exercise Price (₹)	No. of options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning	2,814,235	1,521.63	3,286,219	1,351.31
Granted	262,520	2,587.38	197,200	2,165.82
Forfeited	118,446	2,482.85	91,364	2,432.05
Lapsed	56,056	2,502.43	69,167	913.68
Exercised	905,617	633.55	508,653	590.15
Options outstanding at the end	1,996,636	1,980.01	2,814,235	1,521.63
Exercisable at the end	1,273,470	1,562.47	1,982,739	1,043.57

The weighted average share price as at the date of exercise of stock option was ₹ 2,822.03 (31 March 2024: ₹ 2,326.55). The options outstanding on 31 March 2025 have an exercise price ranging from ₹ 500.00 to ₹ 3,397.00 (31 March 2024: ₹ 500.00 to ₹ 3,397.00) and the weighted average remaining contractual life of 4.63 years (31 March 2024: 3.79 years).

CONSOLIDATED FINANCIAL STATEMENTS

17. OTHER EQUITY (Continued)

The weighted average fair value of stock options granted during the year was ₹ 1,132.39 (31 March 2024: ₹ 873.56). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the following inputs.

	Year ended 31 March 2025	Year ended 31 March 2024
Weighted average share price on the date of grant (₹)	2,739.81	2,219.29
Exercise Price (₹)	2,200.00 to 2,900.00	1,760.00 to 2,300.00
Expected Volatility	29.11% to 31.87%	28.69% to 32.97%
Life of the options granted in years	1-10 years	1-10 years
Average risk-free interest rate	6.77% to 7.11%	7.01% to 7.35%
Expected dividend rate	1.93% to 2.26%	2.04% to 2.26%

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

Total employee compensation cost pertaining to 2016 Plan during the year is ₹ 206.83 million (31 March 2024: ₹ 274.35 million.)

During the current year, the Company granted 20,000 options (31 March 2024: 15,000) to the key management personnel under 2016 plan.

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

Effective 22 October 2021, the Company instituted the Restricted Stock Unit Plan-2021. The Board and the shareholders of the Company approved RSU Plan-2021 on 22 October 2021. The RSU Plan-2021 provides for the issue of restricted units to employees and directors of the Company and its subsidiaries. The RSU Plan-2021 is administered by the Mphasis Employees Equity Reward Trust. Each unit, granted under the RSU Plan-2021, entitles the holder thereof with an option to apply for and be issued one equity share of the Company at an exercise price of ₹ 10.00 per share. A total of 3,000,000 RSUs can be granted to the eligible employees of the Company and its subsidiaries. The equity shares covered under this plan vest over a period ranging from twelve to sixty months from the date of grant. The exercise period is sixty months from the respective date of vesting or within six months from the resignation of the employee whichever is earlier.

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

RSU 2021 Plan	Year ended 31 March 2025		Year ended 31 March 2024	
	No. of options	Weighted Average Exercise Price (₹)	No. of options	Weighted Average Exercise Price (₹)
Units outstanding at the beginning	803,179	10.00	918,360	10.00
Granted	118,880	10.00	37,000	10.00
Forfeited	87,473	10.00	62,227	10.00
Lapsed	995	10.00	651	10.00
Exercised	172,525	10.00	89,303	10.00
Units outstanding at the end	661,066	10.00	803,179	10.00
Exercisable at the end	21,608	10.00	16,752	10.00

The weighted average share price as at the date of exercise of stock option was ₹ 2,910.88 (31 March 2024: ₹ 2,227.96). The options outstanding on 31 March 2025 have an exercise price of ₹ 10.00 (31 March 2024: ₹ 10.00) and the weighted average remaining contractual life of 5.92 years (31 March 2024: 6.76 years).

The weighted average fair value of stock options granted during the year was ₹ 2,377.67 (31 March 2024: ₹ 1,989.80). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	Year ended 31 March 2025	Year ended 31 March 2024
Weighted average share price on the date of grant (₹)	2,824.63	2,419.33
Exercise Price (₹)	10.00	10.00
Expected Volatility	29.18% to 31.87%	29.03% to 29.73%
Life of the units granted in years	1-10 years	1-10 years
Average risk-free interest rate	6.77% to 7.11%	7.18% to 7.35%
Expected dividend rate	1.93 % to 2.26%	2.26%

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

Total employee compensation cost pertaining to RSU Plan-2021 during the year is ₹ 364.70 million (31 March 2024: ₹ 607.33 million.).

During the current year, the Company granted 20,000 options (31 March 2024: nil) to the key management personnel under 2021 plan.

CONSOLIDATED FINANCIAL STATEMENTS

18. OTHER FINANCIAL LIABILITIES

(₹ million)

	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Salary related costs	47.54	86.64	5,707.22	5,339.34
Capital creditors	-	-	49.52	60.18
Other payables	243.00	2,136.75	5,202.92	2,707.01
Contingent consideration payable	-	195.42	1,839.14	101.26
Unclaimed dividend *	-	-	23.94	24.02
Foreign exchange derivative liabilities	14.62	4.18	366.54	89.38
	305.16	2,422.99	13,189.28	8,321.19

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

19. PROVISIONS

	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
19a. EMPLOYEE BENEFIT OBLIGATIONS				
Provision for employee compensated absences	-	-	1,568.73	1,484.34
	-	-	1,568.73	1,484.34
19b. OTHER PROVISIONS				
Provisions- others	527.46	687.80	1,539.14	1,307.97
	527.46	687.80	1,539.14	1,307.97
	527.46	687.80	3,107.87	2,792.31

Movement in Other provisions	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Balance as per previous financial statements	687.80	-	1,307.97	1,110.22
Additions	-	687.80	475.88	197.75
Utilised / paid	(160.34)	-	(244.71)	-
Closing balance	527.46	687.80	1,539.14	1,307.97

Provisions includes liabilities recognized with respect to ongoing disputes / litigations and onerous contracts with third parties. The provision for ongoing disputes /litigations has been estimated based on the Group's assessment of contractual / legal provisions and the expected settlement amount. Given the long duration of disputes / litigation and the related complexities involved therein, the Group expects to settle these provisions upon resolution with the concerned parties. The provision for onerous contracts has been estimated based on management's best estimate of the incremental cost of delivering services under the contract over and above the related revenue.

20. OTHER LIABILITIES

	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Unearned revenue	-	-	1,164.82	1,700.73
Statutory dues	-	-	1,459.56	1,378.86
	-	-	2,624.38	3,079.59

21. BORROWINGS

	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Loan from Citibank (unsecured) *	-	-	10,304.55	10,668.96
Loan from JPMC (unsecured) **	-	-	854.88	4,766.71
	-	-	11,159.43	15,435.67

CONSOLIDATED FINANCIAL STATEMENTS

21. BORROWINGS (Continued)

(₹ million)

	As at 31 March 2025	As at 31 March 2024
Loan from Citibank (unsecured) *		
Balance as per previous financial statements	10,668.96	1,984.76
Availed	15,527.09	21,391.04
Repaid	(16,064.12)	(13,171.18)
Accrued interest	(60.08)	193.43
Addition on account of Business combination	-	208.14
Non-cash changes including foreign exchange movements	232.70	62.77
Closing balance	10,304.55	10,668.96

	As at 31 March 2025	As at 31 March 2024
Loan from JPMC (unsecured) **		
Balance as per previous financial statements	4,766.71	-
Availed	854.75	4,995.30
Repaid	(4,772.33)	(250.20)
Accrued interest	(12.49)	12.62
Non-cash changes including foreign exchange movements	18.24	8.99
Closing balance	854.88	4,766.71

* Loans from Citibank carries interest @ Secured Overnight Financing Rate (SOFR) plus a spread ranging from 1.20% to 1.40% (31 March 2024: SOFR plus a spread ranging from 0.70% to 1.70%) p.a. The loans are repayable over the period from 21 April 2025 to 25 August 2025. The loans are availed by a wholly owned subsidiary and the Company has issued a corporate guarantee/letter of comfort towards the same.

** Loans from JPMC carries interest @ Secured Overnight Financing Rate (SOFR) plus a spread of 1.20% p.a. The loans are repayable on 30 September 2025. The loans are availed by a wholly owned subsidiary and the Company has issued a letter of comfort towards the same. Refer note 39 for the Group's exposure to interest rate, foreign currency, and liquidity risks.

22. TRADE PAYABLES

	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Outstanding dues to micro and small enterprises ('MSME')*	-	-	35.16	23.98
Outstanding dues to creditors other than MSME	-	-	9,749.51	7,959.15
	-	-	9,784.67	7,983.13

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

Trade payables ageing schedule

Particulars (31 March 2025)	Outstanding for following periods from due date of payment					Accrued expenses	Total
	Not Due	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years		
MSME	30.19	0.12	-	0.38	4.47	-	35.16
Others	1,863.32	296.92	4.65	5.07	76.80	7,495.81	9,742.57
Disputed dues others	-	-	-	2.83	4.11	-	6.94
	1,893.51	297.04	4.65	8.28	85.38	7,495.81	9,784.67
Particulars (31 March 2024)							
MSME	18.83	0.24	0.38	0.06	4.47	-	23.98
Others	1,528.21	151.98	6.01	8.29	63.14	6,182.52	7,940.15
Disputed dues others	-	-	2.83	16.17	-	-	19.00
	1,547.04	152.22	9.22	24.52	67.61	6,182.52	7,983.13

CONSOLIDATED FINANCIAL STATEMENTS

22. TRADE PAYABLES (Continued)

Relationship with struck off companies				(₹ million)	
	Nature of transactions	Transactions during the year	Balance outstanding	Company	Relationship
Name of struck off company (31 March 2025)					
Human Interface Consulting India Pvt Ltd	Payables	-	0.56	Mphasis Limited	Vendor
Name of struck off company (31 March 2024)					
Human Interface Consulting India Pvt Ltd	Payables	-	0.56	Mphasis Limited	Vendor
Webaxyz IT Consulting (Opc) Private Limited	Payables	-	0.01	Msource (India) Private Limited	Vendor

23. TAXES

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

	Year ended 31 March 2025	Year ended 31 March 2024
Taxes		
Current taxes	5,535.16	5,775.90
Deferred taxes	44.88	(640.88)
Total taxes	5,580.04	5,135.02

For periods upto 31 March 2024

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

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

The Company is liable to pay Minimum Alternate Tax ('MAT') in the tax holiday period if the tax payable under normal provisions is less than tax payable under MAT. Excess tax paid under MAT over tax under normal provision paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities.

The interest / dividend income from certain category of investments is exempt from tax. The difference between the reported income tax expense and income tax computed at statutory tax rate is primarily attributable to income exempt from tax, reversal of tax expense pertaining to previous years (net), tax effect on allowances / disallowances (net) and tax differentials on income from Capital gains and tax effect of rate differentials on account of expected shift to New Tax Regime under Section 115BAA and tax expense recognised on unutilised SEZ reinvestment reserves.

For periods beginning 1 April 2024

The Company has transitioned to the concessional tax rate of 22% plus surcharge and cess (totalling to 25.168%) under Section 115BAA of the Income Tax Act, 1961. Under this taxation regime, the Company is no longer entitled to the tax benefits / exemptions it previously availed.

The difference between the reported income tax expense and income tax computed at statutory tax rate is primarily attributable to reversal of tax expenses pertaining to previous years (net), tax effect on disallowances (net) and tax differentials on income from Capital gains and tax expense recognised on unutilised SEZ reinvestment reserve.

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

CONSOLIDATED FINANCIAL STATEMENTS

23. TAXES (Continued)

Mphasis Limited and certain entities in the Group have entered into international transactions with its associated enterprises within the meaning of section 92B of the Income Tax Act, 1961. The regulations, require maintenance of prescribed documents and/or furnishing the certificate by the management or an external accountant within the specified due date under the regulations to support the arm's length outcome determination by the Group. Based on these guidelines, the management is of the opinion that the related party transactions are at arm's length and does not warrant any adjustment, on the part of the management, on the amount of tax expense and tax provision reported in the Consolidated Financial Statements.

Deferred tax for the year ended 31 March 2025 and 31 March 2024 relates to origination and reversal of temporary differences.

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

(₹ million)

	Year ended 31 March 2025	Year ended 31 March 2024
Profit before tax	22,601.43	20,683.22
Applicable tax rates in India	25.168%	34.944%
Computed tax charge (A)	5,688.33	7,227.54
Tax effect on exempt operating income	-	(1,623.82)
Tax effect on non - deductible expenses	269.40	261.31
Tax effect on differential domestic/overseas tax rate and other disallowances	(76.40)	6.15
Reversal of tax expenses pertaining to prior period *	(277.05)	(528.24)
Tax effect on unutilised SEZ reserve	83.67	84.66
Others, net **	(107.91)	(292.58)
Total adjustments (B)	(108.29)	(2,092.52)
Total tax expenses (A+B)	5,580.04	5,135.02

* Income tax expense for the years ended 31 March 2025 and 31 March 2024 includes reversal (net of provisions) of ₹ 277.05 million and ₹ 528.24 million, respectively.

** For the year ended 31 March 2024, others include tax impact of remeasurement of deferred tax balances based on the revised applicable tax rate arising due to shift to new regime from FY 24-25.

	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Other tax assets (net)				
Advance income-tax (net of provision for taxation)	7,966.91	6,419.52	-	-
	7,966.91	6,419.52	-	-
Other tax liabilities (net)				
Provision for taxation	-	150.08	2,738.25	2,734.32
	-	150.08	2,738.25	2,734.32

Deferred tax asset amounting to ₹ 66.15 million and ₹ 61.935 million in relation to carry forward losses in various subsidiaries has not been recorded during the years ended 31 March 2025 and 31 March 2024 respectively. The underlying losses carried forward do have a scheduled expiry date including jurisdictions that allow indefinite carry forward.

Deferred tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future. Accordingly, deferred tax liabilities on cumulative earnings of subsidiaries and branches amounting to ₹ 22,164.81 million and ₹ 20,467.28 million as of 31 March 2025 and 31 March 2024, respectively have not been recognized. Further, it is not practicable to estimate the amount of the unrecognized deferred tax liabilities for these undistributed earnings.

CONSOLIDATED FINANCIAL STATEMENTS

23. TAXES (Continued)

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

(₹ million)

	As at 31 March 2025	As at 31 March 2024
Deferred tax asset (net)		
Property, plant and equipment, goodwill and other intangible assets	436.71	113.82
Provision for doubtful debts and advances	512.19	340.72
Provision for employee benefits	1,014.40	922.20
On carried forward long term capital loss	-	1.02
Derivative (assets) / liabilities	(3.32)	(76.56)
DTL on unutilized SEZ reserve	(168.04)	(84.66)
On net operating losses	674.75	935.23
ROU assets	(1,458.90)	(1,701.08)
Lease liabilities	1,744.52	1,979.15
Others	493.79	426.67
	3,246.10	2,856.51
	As at 31 March 2025	As at 31 March 2024
Deferred tax liabilities (net)		
Property, plant and equipment, goodwill and other intangible assets	1,782.66	1,479.03
On net operating losses	(122.70)	(214.08)
ROU assets	218.42	104.63
Lease liabilities	(241.82)	(118.09)
Others	(13.53)	47.63
	1,623.03	1,299.12
Net Deferred tax asset	1,623.07	1,557.39

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

	As at 1 April 2024	Statement of Profit and Loss	OCI	Others	As at 31 March 2025
Deferred Tax Asset (net)					
Property, plant and equipment, goodwill and other intangible assets	113.82	322.89	-	-	436.71
Provision for doubtful debts and advances	340.72	171.47	-	-	512.19
Provision for employee benefits	922.20	68.71	23.50	(0.01)	1,014.40
On carried forward long term capital loss	1.02	(1.02)	-	-	-
Derivative (assets) / liabilities	(76.56)	-	73.24	-	(3.32)
DTL on unutilized SEZ reserve	(84.66)	(83.38)	-	-	(168.04)
On net operating losses	935.23	(260.48)	-	-	674.75
ROU assets	(1,701.08)	242.18	-	-	(1,458.90)
Lease liabilities	1,979.15	(234.63)	-	-	1,744.52
Others	426.67	67.13	-	(0.01)	493.79
	2,856.51	292.87	96.74	(0.02)	3,246.10
Deferred Tax Liabilities (net)					
Property, plant and equipment, goodwill and other intangible assets	1,479.03	303.63	-	-	1,782.66
On net operating losses	(214.08)	91.38	-	-	(122.70)
ROU assets	104.63	113.79	-	-	218.42
Lease liabilities	(118.09)	(123.73)	-	-	(241.82)
Others	47.63	(22.88)	0.21	(38.49)	(13.53)
	1,299.12	362.19	0.21	(38.49)	1,623.03
Total	1,557.39	(69.32)	96.53	38.47	1,623.07

CONSOLIDATED FINANCIAL STATEMENTS

23. TAXES (Continued)

(₹ million)

	As at 1 April 2023	Statement of Profit and Loss	OCI	Others	As at 31 March 2024
Deferred Tax Asset (net)					
Property, plant and equipment, goodwill and other intangible assets	262.85	(149.03)	-	-	113.82
Provision for doubtful debts and advances	455.50	(114.78)	-	-	340.72
Provision for employee benefits	666.26	330.77	(74.83)	-	922.20
On carried forward long term capital loss	1.41	(0.39)	-	-	1.02
Derivative (assets) / liabilities	314.51	(0.01)	(391.06)	-	(76.56)
DTL on unutilized SEZ reserve	-	(84.66)	-	-	(84.66)
On net operating losses	401.42	533.81	-	-	935.23
ROU assets	(1,537.21)	(163.87)	-	-	(1,701.08)
Lease liabilities	1,729.56	249.59	-	-	1,979.15
Others	128.10	297.48	-	1.09	426.67
	2,422.40	898.91	(465.89)	1.09	2,856.51
Deferred tax liabilities (net)					
Property, plant and equipment, goodwill and other intangible assets	1,096.40	382.63	-	-	1,479.03
On net operating losses	(103.89)	(110.19)	-	-	(214.08)
ROU assets	104.33	0.30	-	-	104.63
Lease liabilities	(117.69)	(0.40)	-	-	(118.09)
Others	50.46	(14.31)	4.26	7.22	47.63
	1,029.61	258.03	4.26	7.22	1,299.12
	1,392.79	640.88	(470.15)	(6.13)	1,557.39

24. REVENUE FROM OPERATIONS

	Year ended 31 March 2025	Year ended 31 March 2024
Sale of services	142,233.68	133,340.05
Profit / (loss) on cash flow hedges reclassified to revenue	66.19	(554.90)
	142,299.87	132,785.15

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

Reconciliation of revenue recognised with contracted price is as follows:

	Year ended 31 March 2025	Year ended 31 March 2024
Contracted price	146,558.44	135,574.07
Reductions towards variable consideration components *	(4,324.76)	(2,234.02)
Revenue as per statement of profit and loss	142,233.68	133,340.05

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

A. Contract balances

The following table discloses the movement in contract assets:

	Year ended 31 March 2025	Year ended 31 March 2024
Balance as per previous financial statements	143.47	1,899.16
Revenue recognized during the year	656.11	84.41
Reclass to unbilled receivables (pursuant to milestones being met)	-	(1,034.66)
Invoiced during the year	(135.67)	(865.26)
Exchange gain	20.05	59.82
Closing balance	683.96	143.47

CONSOLIDATED FINANCIAL STATEMENTS

24. REVENUE FROM OPERATIONS (Continued)

The following table discloses the movement in unearned revenue balances:

(₹ million)

	Year ended 31 March 2025	Year ended 31 March 2024
Balance as per previous financial statements	1,700.73	1,093.10
Revenue recognised that was included in the unearned revenue balance at the beginning of the year	(1,399.43)	(759.18)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	852.70	1,368.03
Exchange (gain) / loss	10.82	(1.22)
Closing balance	1,164.82	1,700.73

B. Remaining performance obligations

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

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

The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2025 is ₹ 12,886.00 million (31 March 2024: ₹ 19,624.00 million). Out of this, the Group expects to recognize revenue of around 40% (31 March 2024: 29%) within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

Invoices are usually payable within 30-60 days. Certain customer contracts contain provision for volume discounts and cash discounts on account of early payment of invoices, both of which are accounted for as a reduction of revenue.

25. OTHER INCOME

	Year ended 31 March 2025	Year ended 31 March 2024
Interest income on		
Bank deposits	289.13	213.42
Debentures and long term bonds	296.55	151.96
Others	341.55	162.68
Net gain on investments measured at FVTPL *	1,527.32	1,434.87
Foreign exchange gain, (net)	20.78	130.92
Profit on sale of fixed assets, (net)	17.97	17.50
Miscellaneous income	56.71	66.69
	2,550.01	2,178.04

* includes profit on sale of investments amounting to ₹ 1,838.91 million (31 March 2024: ₹ 627.03 million).

26. EMPLOYEE BENEFITS EXPENSE

	Year ended 31 March 2025	Year ended 31 March 2024
Salaries and bonus	73,888.56	71,940.73
Contribution to provident and other funds	6,317.76	5,717.71
Employee share based payments	571.53	881.68
Staff welfare expenses	668.74	713.15
	81,446.59	79,253.27

CONSOLIDATED FINANCIAL STATEMENTS

27. FINANCE COSTS

(₹ million)

	Year ended 31 March 2025	Year ended 31 March 2024
Interest expense on borrowings	1,096.66	1,039.40
Interest expense on lease liabilities	558.35	569.27
	1,655.01	1,608.67

28. DEPRECIATION AND AMORTIZATION EXPENSE

	Year ended 31 March 2025	Year ended 31 March 2024
Depreciation of property, plant and equipment (refer note 3)	838.34	984.33
Amortization of intangible assets (refer note 7)	2,023.86	1,233.22
Depreciation of right-of-use assets (refer note 4)	1,901.17	1,887.44
	4,763.37	4,104.99

29. OTHER EXPENSES

	Year ended 31 March 2025	Year ended 31 March 2024
Subcontracting charges	19,030.29	16,987.24
Legal and professional charges	2,950.05	2,779.72
Software support and annual maintenance charges (including Pass through)	4,634.20	3,761.09
Facility expenses	663.44	685.84
Travel	1,607.49	1,878.98
Communication expenses	905.71	886.49
Recruitment expenses	734.16	679.55
Power and fuel	308.56	311.62
Insurance	252.34	260.18
Rates and taxes	255.25	183.42
Repairs and maintenance - others	127.31	150.73
Provision for expected credit loss	892.06	310.71
Corporate Social Responsibility expense	389.49	368.86
Gain on reversal of contingent consideration	-	(1,628.98)
Miscellaneous expenses	1,633.13	1,697.59
	34,383.48	29,313.04

30. EARNINGS PER SHARE ('EPS')

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

	Year ended 31 March 2025	Year ended 31 March 2024
Profit for the year (₹ in million)	17,021.39	15,548.20
Number of weighted average shares considered for calculation of basic earnings per share	189,390,648	188,657,033
Add: Dilutive effect of stock options	1,089,799	1,352,927
Number of weighted average shares considered for calculation of diluted earnings per share	190,480,447	190,009,960
Earnings per equity share (par value ₹ 10 per share)		
Basic	89.87	82.42
Diluted	89.36	81.83

CONSOLIDATED FINANCIAL STATEMENTS

31. CONTINGENT LIABILITIES AND COMMITMENTS

- a. The Group has disputes with income tax authorities in India and other jurisdictions where they operate. The ongoing disputes pertain to various assessment years from 2002-03 to 2022-23. The matters under dispute pertain to transfer pricing, tax treatment of certain expenses claimed as deductions, or allowances, characterization of fees for services paid and applicability of withholding taxes etc. Claims against the Group in relation to direct taxes and transfer pricing matters not acknowledged as debts amount to ₹ 25,445.35 million (31 March 2024: ₹ 18,290.88 million). Claims against the Group in relation to indirect tax matters not acknowledged as debts amount to ₹ 207.13 million (31 March 2024: ₹ 206.47 million).

In relation to other tax demands not included above, the Group has furnished bank guarantees amounting to ₹ 9,082.94 million (31 March 2024: ₹ 5,637.21 million). These demands are being contested by the Group based on management evaluation, advice of tax consultants and legal advice obtained. No provision has been made in the books of accounts. The Group has filed appeals against such orders with the appropriate authorities. The above amounts are quantified based on orders received from statutory authorities.

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

- b. Other outstanding bank guarantees as at 31 March 2025: ₹ 64.28 million (31 March 2024: ₹ 186.88 million) pertains to guarantees issued on behalf of the Group to regulatory authorities.
- c. In addition to the above matters, the Group has other claims not acknowledged as debts amounting to ₹ 330.24 million (31 March 2024: ₹ 741.90 million).
- d. Estimated amounts of contracts remaining to be executed on capital account (net of advances) and not provided for as at 31 March 2025: ₹ 83.58 million (31 March 2024: ₹ 278.73 million).

32. RELATED PARTY TRANSACTIONS

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

Entities where control exists

BCP Asia (SG) Mirror Holding Pte Ltd	Ultimate holding company
BCP Topco IX Pte. Ltd	Holding company

Post-employment benefit trusts of the Group

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

Key management personnel

Davinder Singh Brar	Independent Director and Chairman of the Board (Retired w.e.f. 30 September 2024)
Narayanan Kumar	Independent Director (Retired w.e.f. 31 March 2024)
Jan Kathleen Hier	Independent Director and Chairperson (Appointed w.e.f. 1 October 2024) of the Board
Sunil Gulati	Independent Director (Appointed w.e.f. 1 April 2024)
Girish Paranjpe	Independent Director (Appointed w.e.f. 1 October 2024)
David Lawrence Johnson	Director
Marshall Jan Lux	Director
Amit Dixit	Director
Amit Dalmia	Director
Maureen Anne Erasmus	Independent Director
Kabir Mathur	Director
Pankaj Sood	Director
Courtney della Cava	Director
Nitin Rakesh	Chief Executive Officer and Managing Director
Manish Dugar	Chief Financial Officer (Resigned w.e.f. 16 August 2024)
Subramanian Narayan	Senior Vice President & Company Secretary (Resigned w.e.f. 22 November 2024)
Aravind Viswanathan	Chief Financial Officer (Appointed w.e.f. 16 August 2024)
Sivaramakrishnan Puranam	Senior Vice President & Company Secretary (Appointed w.e.f. 23 January 2025)

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32. RELATED PARTY TRANSACTIONS (Continued)

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

(₹ million)

	Year ended 31 March 2025	Year ended 31 March 2024
Dividend paid (on cash basis)	3,783.94	4,722.33
BCP Topco IX Pte. Ltd		
[net of withholding taxes amounting to ₹ 419.65 (31 March 2024: ₹ 523.99)]	3,776.83	4,715.98
Key management personnel	7.11	6.35
Remuneration / Commission to key management personnel	481.80	541.09
Nitin Rakesh		
Short term employee benefits	131.10	124.80
Share based payments	224.84	316.57
Others		
Short term employee benefits	49.25	39.85
Commission to directors	41.42	40.91
Share based payments	35.19	18.96

Marble II Pte Ltd. ('Marble') (being the erstwhile Promoter of the Company) has covered certain identified employees of the Group under an Exit Return Incentive Plan ('the ERI Plan') of Marble, under which Marble could make direct payments upon satisfaction of specified conditions therein, at Marble's discretion. The ERI Plan was approved by the Board of Directors of the Company on 25 May 2017 and the shareholders of the Company at the Annual General Meeting held on 26 July 2017, as required under Regulation 26(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. There is no financial impact / burden to the Group for the payments to be made pursuant to the ERI Plan by Marble. Marble has, since its exit as a shareholder of the Company, made payments of nil in aggregate during the year ended 31 March 2025 (31 March 2024: ₹ 190.80 million) under the ERI Plan to the key management personnel of the Group.

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

Expenses incurred on behalf of related parties

Marble II Pte. Limited

₹ nil represents the amounts paid by Marble during the year ended 31 March 2025 (31 March 2024: ₹ 252.47 million) under the ERI Plan that was payable to certain identified persons on the payroll of Mphasis Corporation and was routed through Mphasis Corporation (on behalf of Marble) on account of requirements under applicable US tax laws. Mphasis Corporation passed on the requisite payments to these identified persons (on behalf of Marble) net of applicable US taxes, and deposited the requisite taxes with the relevant US tax authorities. The payments under the ERI Plan do not form part of the remuneration payable by Mphasis Corporation to these persons, nor was there any financial burden on Mphasis Corporation on account of this arrangement.

The balances payable to related parties are as follows:

	As at 31 March 2025	As at 31 March 2024
Remuneration / Commission payable to key management personnel	10.38	10.40

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33. Additional information pursuant to para 2 of general instructions for the preparation of the Consolidated Financial Statements for years ended 31 March 2025 and 31 March 2024.

31 March 2025	Consolidated net assets		Consolidated profit or loss		Consolidated OCI		Consolidated total Comprehensive income	
Name of the entity	Percentage	₹ million	Percentage	₹ million	Percentage	₹ million	Percentage	₹ million
Parent								
Mphasis Limited	46.12%	63,017.51	79.36%	15,324.85	50.44%	(290.84)	80.25%	15,034.01
Indian subsidiaries								
Msource (India) Private Limited	8.51%	11,631.35	3.01%	580.62	-0.11%	0.64	3.10%	581.26
Mphasis Software and Services (India) Private Limited	1.62%	2,215.53	0.68%	132.08	-0.01%	0.05	0.71%	132.13
Mrald Services Private Limited (India)	0.08%	110.15	0.49%	93.77	0.04%	(0.23)	0.50%	93.54
Sonnick CRM Solutions LLP	0.07%	93.41	0.05%	9.47	-0.68%	3.93	0.07%	13.40
Foreign subsidiaries								
Mphasis Corporation	7.66%	10,462.02	1.63%	314.33	57.36%	(330.70)	-0.09%	(16.37)
Mphasis Deutschland GmbH	-0.75%	(1,020.79)	-1.81%	(349.97)	3.37%	(19.44)	-1.97%	(369.41)
Mphasis Australia Pty Limited	0.06%	80.19	-0.03%	(4.90)	0.04%	(0.23)	-0.03%	(5.13)
Mphasis (Shanghai) Software & Services Company Limited	0.04%	52.93	-0.16%	(31.17)	-0.26%	1.48	-0.16%	(29.69)
Mphasis Consulting Limited	0.19%	260.12	-0.18%	(34.03)	26.29%	(151.59)	-0.99%	(185.62)
Mphasis Ireland Limited	0.05%	74.32	-0.02%	(3.96)	-0.30%	1.73	-0.01%	(2.23)
Mphasis Belgium BV	1.05%	1,429.46	1.59%	307.63	-5.10%	29.42	1.80%	337.05
Mphasis Poland s.p.z.o.o	-0.02%	(25.90)	-0.02%	(3.05)	0.37%	(2.15)	-0.03%	(5.20)
Msource Mauritius Inc.	0.46%	630.13	-0.01%	(1.23)	0.02%	(0.11)	-0.01%	(1.34)
PT. Mphasis Indonesia	0.00%	-	0.00%	-	-0.14%	0.82	0.00%	0.82
Mphasis Europe BV	13.64%	18,644.83	0.70%	135.20	-9.69%	55.85	1.02%	191.05
Mphasis Pte Limited	0.71%	965.09	0.46%	88.07	-4.86%	28.04	0.62%	116.11
Mphasis Infrastructure Services Inc.	-1.39%	(1,894.55)	-0.17%	(32.67)	7.96%	(45.87)	-0.42%	(78.54)
Mphasis UK Limited	9.37%	12,803.74	7.71%	1,488.74	-22.55%	129.99	8.64%	1,618.73
Mphasis Wyde Inc.	5.82%	7,951.83	-2.33%	(449.46)	25.29%	(145.84)	-3.18%	(595.30)
Mphasis Philippines Inc.	0.00%	2.45	0.01%	1.25	0.00%	(0.01)	0.01%	1.24
Wyde Corporation Inc.	-0.97%	(1,331.34)	-0.41%	(78.35)	2.25%	(12.98)	-0.49%	(91.33)
Mphasis Wyde SASU	-0.85%	(1,161.91)	-0.55%	(106.20)	4.93%	(28.42)	-0.72%	(134.62)
Wyde Solutions Canada Inc.	-0.04%	(61.08)	0.04%	7.78	-0.30%	1.71	0.05%	9.49
Digital Risk LLC.	0.06%	76.37	0.53%	102.37	7.18%	(41.40)	0.33%	60.97
Digital Risk Mortgage Services LLC.	7.73%	10,566.37	5.11%	986.79	-41.88%	241.45	6.56%	1,228.24
Investor Services, LLC	0.61%	839.97	0.00%	(0.03)	-3.53%	20.34	0.11%	20.31
Digital Risk Services, LLC. *(formerly known as Digital Risk Valuation Services, LLC.)	-1.06%	(1,447.57)	0.00%	0.66	6.08%	(35.07)	-0.18%	(34.41)
Stelligent Systems LLC.	-0.20%	(268.25)	-0.61%	(118.59)	0.96%	(5.54)	-0.66%	(124.13)
Datalytx Limited	-0.02%	(28.74)	0.01%	1.52	1.43%	(8.24)	-0.04%	(6.72)
Datalytx MSS Limited	0.01%	19.36	-0.01%	(1.71)	-0.18%	1.04	0.00%	(0.67)
Dynamyx Limited	0.00%	(5.39)	0.00%	(0.60)	0.02%	(0.12)	0.00%	(0.72)
Mphasis Digi Information Technology Services (Shanghai) Limited	0.00%	0.71	-0.04%	(6.74)	-0.02%	0.10	-0.04%	(6.64)
Blink Interactive, Inc	0.75%	1,020.86	0.83%	160.82	-3.55%	20.47	0.97%	181.29
Mrald Limited	-0.05%	(61.50)	-0.11%	(21.00)	0.43%	(2.50)	-0.13%	(23.50)
Mrald Services Limited	-0.27%	(369.02)	-0.61%	(117.52)	3.04%	(17.51)	-0.72%	(135.03)
Mphasis Solutions Services Corporation	0.00%	2.89	0.00%	(0.64)	-0.01%	0.08	0.00%	(0.56)

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33. Additional information pursuant to para 2 of general instructions for the preparation of the Consolidated Financial Statements for years ended 31 March 2025 and 31 March 2024. (Continued)

31 March 2025	Consolidated net assets		Consolidated profit or loss		Consolidated OCI		Consolidated total Comprehensive income	
Name of the entity	Percentage	₹ million	Percentage	₹ million	Percentage	₹ million	Percentage	₹ million
eBecs Limited	0.38%	525.77	1.26%	243.18	-3.39%	19.53	1.40%	262.71
eBecs Business Solutions (Ireland) Limited	0.03%	45.11	0.01%	1.58	-0.21%	1.21	0.02%	2.79
Sonnick Partners LLC	0.72%	980.88	3.57%	689.43	0.68%	(3.90)	3.66%	685.53
Silverline Canada Holdings Inc	-0.13%	(181.05)	0.04%	7.47	-1.44%	8.28	0.08%	15.75
Shift US Holdings LLC	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Mphasis Lanka (Private) Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Mphasis Arabia Limited	0.00%	(2.97)	-0.03%	(5.16)	0.01%	(0.05)	-0.03%	(5.21)
Total foreign subsidiaries	43.60%	59,575.34	16.41%	3,169.84	50.32%	(290.13)	15.37%	2,879.71
Sub total	100.00%	1,36,643.29	100.00%	19,310.63	99.99%	(576.58)	100.00%	18,734.05
Adjustment arising out of consolidation		(40,359.33)		(2,289.24)		1,147.06		(1,142.18)
Total		96,283.96		17,021.39		570.48		17,591.87

31 March 2024	Consolidated net assets		Consolidated profit or loss		Consolidated OCI		Consolidated total Comprehensive income	
Name of the entity	Percentage	₹ million	Percentage	₹ million	Percentage	₹ million	Percentage	₹ million
Parent								
Mphasis Limited	47.06%	57,237.41	84.39%	14,461.37	105.48%	907.31	85.40%	15,368.68
Indian subsidiaries								
Msource (India) Private Limited	9.09%	11,050.09	3.52%	603.70	1.47%	12.60	3.43%	616.30
Mphasis Software and Services (India) Private Limited	1.71%	2,083.40	0.79%	135.95	0.00%	(0.04)	0.76%	135.91
Mrald Services Private Limited (India)	0.01%	16.61	0.10%	16.51	0.00%	-	0.09%	16.51
Sonnick CRM Solutions LLP	0.07%	80.01	0.08%	13.78	0.00%	-	0.08%	13.78
Foreign subsidiaries								
Mphasis Corporation	8.62%	10,478.38	2.87%	491.62	-2.79%	(24.01)	2.60%	467.61
Mphasis Deutschland GmbH	-0.54%	(651.38)	-0.88%	(151.06)	-0.29%	(2.45)	-0.85%	(153.51)
Mphasis Australia Pty Limited	0.07%	85.32	1.38%	236.38	-0.02%	(0.14)	1.31%	236.24
Mphasis (Shanghai) Software & Services Company Limited	0.07%	82.62	-0.12%	(19.99)	-0.37%	(3.14)	-0.13%	(23.13)
Mphasis Consulting Limited	0.37%	445.74	-0.94%	(161.46)	-0.46%	(3.94)	-0.92%	(165.40)
Mphasis Ireland Limited	0.06%	76.55	0.04%	6.70	0.04%	0.35	0.04%	7.05
Mphasis Belgium BV	0.90%	1,092.39	0.62%	106.11	0.44%	3.78	0.61%	109.89
Mphasis Poland s.p.z.o.o	-0.02%	(20.69)	-0.15%	(25.28)	-0.02%	(0.20)	-0.14%	(25.48)
Msource Mauritius Inc.	0.52%	631.27	-0.01%	(1.87)	-0.01%	(0.04)	-0.01%	(1.91)
PT. Mphasis Indonesia	0.00%	(0.20)	0.01%	1.31	0.01%	0.07	0.01%	1.38
Mphasis Europe BV	9.69%	11,789.69	0.00%	0.75	0.19%	1.63	0.01%	2.38
Mphasis Pte Limited	0.70%	848.98	0.03%	5.36	-0.12%	(1.06)	0.02%	4.30
Mphasis Infrastructure Services Inc.	-1.49%	(1,816.02)	-0.72%	(124.04)	-3.01%	(25.87)	-0.83%	(149.91)
Mphasis UK Limited	9.20%	11,185.01	6.66%	1,140.43	0.76%	6.56	6.37%	1,146.99
Mphasis Wyde Inc.	8.06%	9,804.53	1.28%	219.48	-8.05%	(69.23)	0.84%	150.25
Mphasis Philippines Inc.	0.00%	1.22	-0.01%	(1.18)	-0.01%	(0.05)	-0.01%	(1.23)
Wyde Corporation Inc.	-1.02%	(1,240.00)	-0.54%	(92.11)	-2.72%	(23.40)	-0.64%	(115.51)
Mphasis Wyde SASU	-0.84%	(1,027.30)	-0.46%	(78.50)	-0.66%	(5.66)	-0.47%	(84.16)

CONSOLIDATED FINANCIAL STATEMENTS

33. Additional information pursuant to para 2 of general instructions for the preparation of the Consolidated Financial Statements for years ended 31 March 2024 and 31 March 2023. (Continued)

31 March 2024	Consolidated net assets		Consolidated profit or loss		Consolidated OCI		Consolidated total Comprehensive income	
Name of the entity	Percentage	₹ million	Percentage	₹ million	Percentage	₹ million	Percentage	₹ million
Wyde Solutions Canada Inc.	-0.06%	(70.55)	0.01%	1.62	-0.04%	(0.32)	0.01%	1.30
Digital Risk LLC.	0.01%	15.41	-0.77%	(132.28)	-2.60%	(22.36)	-0.86%	(154.64)
Digital Risk Mortgage Services LLC.	7.69%	9,355.19	3.66%	627.46	14.80%	127.27	4.19%	754.73
Investor Services, LLC	0.67%	819.66	0.00%	0.01	1.41%	12.14	0.07%	12.15
Digital Risk Services, LLC. *(formerly known as Digital Risk Valuation Services, LLC.)	-1.16%	(1,413.15)	0.00%	(0.09)	-2.43%	(20.92)	-0.12%	(21.01)
Stelligent Systems LLC.	-0.12%	(144.12)	-0.70%	(119.86)	-0.30%	(2.59)	-0.68%	(122.45)
Datalytx Limited	-0.02%	(22.02)	0.03%	4.93	-0.66%	(5.64)	0.00%	(0.71)
Datalytx MSS Limited	0.02%	20.03	-0.01%	(1.51)	0.08%	0.68	-0.01%	(0.83)
Dynamyx Limited	0.00%	(4.68)	0.02%	3.31	-0.03%	(0.24)	0.02%	3.07
Mphasis Digi Information Technology Services (Shanghai) Limited	0.01%	7.34	-0.03%	(4.81)	-0.06%	(0.49)	-0.03%	(5.30)
Blink Interactive, Inc	0.69%	839.56	2.60%	445.18	0.84%	7.20	2.51%	452.38
Mrald Limited	-0.03%	(38.01)	-0.22%	(36.97)	0.00%	0.01	-0.21%	(36.96)
Mrald Services Limited	-0.19%	(233.99)	-0.26%	(45.30)	-0.79%	(6.80)	-0.29%	(52.10)
Mphasis Solutions Services Corporation	0.00%	3.45	0.00%	(0.51)	0.01%	0.06	0.00%	(0.45)
eBecs Limited	-0.26%	(312.67)	-0.07%	(11.09)	0.09%	0.78	-0.06%	(10.31)
eBecs Business Solutions (Ireland) Limited	0.03%	42.32	-0.06%	(10.54)	-0.05%	(0.43)	-0.06%	(10.97)
Sonnick Partners LLC	0.58%	709.01	-1.78%	(304.48)	-0.08%	(0.65)	-1.70%	(305.13)
Silverline Canada Holdings Inc	-0.16%	(192.19)	-0.37%	(62.77)	-0.07%	(0.57)	-0.35%	(63.34)
Shift US Holdings LLC	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Mphasis Lanka (Private) Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Mphasis Arabia Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Total foreign subsidiaries	42.06%	51,146.70	11.11%	1,904.95	-6.94%	(59.67)	10.25%	1,845.28
Sub total	100.00%	121,614.22	100.00%	17,136.26	100.00%	860.20	100.00%	17,996.46
Adjustment arising out of consolidation		(33,668.22)		(1,588.06)		435.09		(1,152.97)
Total		87,946.00		15,548.20		1,295.29		16,843.49

34. SEGMENT REPORTING

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

Effective 1 April 2023, the Group re-organized the grouping of certain customers amongst operating segments in line with the go-to market strategy, as reviewed by the CODM.

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

34. SEGMENT REPORTING (Continued)

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

	(₹ million)	
Business segments	Year ended 31 March 2025	Year ended 31 March 2024
Segment revenue		
Banking and Financial Services	69,088.58	63,422.98
Logistics and Transportation	17,717.83	18,286.73
Technology Media and Telecom	23,939.11	21,297.61
Insurance	16,227.75	14,569.86
Others	15,260.41	15,762.87
Unallocated - hedge	66.19	(554.90)
Total segment revenue	142,299.87	132,785.15
Segment result		
Banking and Financial Services	18,892.86	16,305.16
Logistics and Transportation	6,108.47	5,757.79
Technology Media and Telecom	5,565.16	5,753.58
Insurance	5,152.22	4,054.85
Others	4,992.05	5,517.89
Unallocated - hedge	66.19	(554.90)
Total segment result	40,776.95	36,834.37
Finance costs	(1,655.01)	(1,608.67)
Other income	2,550.01	2,178.04
Other unallocable expenditure	(19,070.52)	(16,720.52)
Profit before taxation	22,601.43	20,683.22
Income taxes	5,580.04	5,135.02
Profit after taxation	17,021.39	15,548.20
The measure of segment result above includes depreciation and amortization expenses. The expenses for each reportable segment are as follows:		
Banking and Financial Services	1,302.77	1,365.68
Logistics and Transportation	294.39	280.17
Technology Media and Telecom	1,628.23	922.59
Insurance	311.37	249.87
Others	381.73	358.06
Unallocated	844.88	928.62
Total Depreciation and amortization expenses	4,763.37	4,104.99
Revenue from one customer groups individually accounted for more than 10% of the total revenue for the year ended 31 March 2025 (31 March 2024: two).		
Geographic revenues		
Americas	115,644.03	107,167.26
India	7,858.08	7,487.38
EMEA	14,970.11	14,996.12
ROW	3,761.46	3,689.29
Unallocated - hedge	66.19	(554.90)
Total	142,299.87	132,785.15

CONSOLIDATED FINANCIAL STATEMENTS

35. DISAGGREGATION OF REVENUE

(₹ million)

Services rendered	Year ended 31 March 2025	Year ended 31 March 2024
Application Services	101,788.54	94,454.90
Business Process Services	22,909.09	22,075.04
Infrastructure Services	17,536.05	16,810.11
Unallocated - hedge	66.19	(554.90)
Total	142,299.87	132,785.15
Delivery location		
Onsite	82,996.25	71,160.44
Offshore	59,237.43	62,179.61
Unallocated - hedge	66.19	(554.90)
Total	142,299.87	132,785.15
Project type		
Time and material	82,644.09	77,665.84
Fixed price	45,434.08	42,095.60
Transaction based	14,155.51	13,578.61
Unallocated - hedge	66.19	(554.90)
Total	142,299.87	132,785.15
Market		
Direct	136,629.46	126,937.67
DXC	3,740.84	4,204.65
Others	1,863.38	2,197.73
Unallocated - hedge	66.19	(554.90)
Total	142,299.87	132,785.15

36. CAPITAL MANAGEMENT

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

	As at 31 March 2025	As at 31 March 2024
Total equity attributable to the share holders of the Company (A)	96,283.96	87,946.00
Borrowings (B)	11,159.43	15,435.67
Total capital C (A+B)	107,443.39	103,381.67
Total borrowings as a percentage of capital (B / C)	10.39%	14.93%
Total equity as a percentage of total capital (A / C)	89.61%	85.07%

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

37. EMPLOYEE BENEFITS

a. Gratuity

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

CONSOLIDATED FINANCIAL STATEMENTS

37. EMPLOYEE BENEFITS (Continued)

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

(₹ million)

	Year ended 31 March 2025	Year ended 31 March 2024
Changes in present value of defined benefit obligations		
Obligations at beginning of the year	1,638.37	1,627.71
Service cost	212.42	263.87
Additions arising out of business combinations	-	7.85
Interest cost	112.30	105.63
Benefits paid	(235.79)	(184.21)
Re-measurement (gain) / loss (through OCI)	91.49	(182.48)
Obligations at end of the year	1,818.79	1,638.37
Change in plan assets		
Plan assets at beginning of the year, at fair value	1,823.55	1,251.88
Expected return on plan assets	131.48	100.79
Re-measurement gain / (loss) (through OCI)	(4.36)	(4.80)
Employer contributions	168.64	662.54
Benefits paid	(235.79)	(184.21)
Administration charges	(0.35)	(2.65)
Plan assets at end of the year	1,883.17	1,823.55
Present value of defined benefit obligation at the end of the year	1,818.79	1,638.37
Fair value of plan assets at the end of the year	1,883.17	1,823.54
Net asset recognised in the balance sheet	64.38	185.17
Expenses recognised in statement of profit and loss		
Service cost	212.42	263.87
Interest cost (net)	(19.18)	4.84
Net gratuity cost	193.24	268.71
Re-measurement (gains) / losses in OCI		
Actuarial (gain) / loss due to demographic assumption changes	1.86	(163.29)
Actuarial (gain) / loss due to financial assumption changes	32.99	11.29
Actuarial (gain) / loss due to experience adjustments	56.64	(32.27)
Re-measurement - return on plan assets (greater) less than discount rate	4.36	4.80
Total (gains) / losses routed through OCI	95.85	(179.47)
Assumptions		
Discount rate	6.70%	7.20%
Expected rate of return on plan assets	7.00%	7.20%
Salary increase	4.00%	4.00%
Attrition rate	16% to 35%	16% to 35%
Retirement age	60 years	60 years
Future payouts (year ended 31 March)		
Year-1	222.95	209.05
Year-2	201.32	178.68
Year-3	191.06	165.19
Year-4	171.22	152.78
Year-5	157.44	135.21
Year-6-10	528.27	474.91
Year-10 and above	346.53	322.55

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

CONSOLIDATED FINANCIAL STATEMENTS

37. EMPLOYEE BENEFITS (Continued)

At 31 March 2025, the weighted-average duration of the defined benefit obligation is 4.24 years (31 March 2024: 4.15 years).

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

Insurer managed funds	100.00%		100.00%	
Sensitivity analysis	Year ended 31 March 2025		Year ended 31 March 2024	
Change in discount rate	1% increase	1% decrease	1% increase	1% decrease
Effect on the defined benefit obligation	(83.61)	76.78	(74.61)	68.12
Change in salary increase				
Effect on the defined benefit obligation	79.35	(85.12)	70.78	(75.92)

b. Provident Fund

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

The Group has carried out actuarial valuation only for defined benefit plan as at 31 March 2025. The actuary has provided a valuation for provident fund liabilities and based on the assumptions mentioned below, there is no shortfall in plan assets as at 31 March 2025 and 31 March 2024.

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

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

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

	As at 31 March 2025	As at 31 March 2024
Plan assets at the year end	19,168.12	16,726.96
Present value of benefit obligation at year end	19,168.12	16,726.96
Asset recognized in balance sheet	-	-

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

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

Government of India (GOI) bond yield	6.71%	7.20%
Remaining term of maturity (in years)	7	8
Guaranteed rate of return	8.25%	8.25%

The Company and its Indian subsidiaries have contributed ₹ 1,612.00 million towards provident fund during the year ended 31 March 2025 (31 March 2024: ₹ 1,314.76 million).

c. Social Security

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

CONSOLIDATED FINANCIAL STATEMENTS

38. FINANCIAL INSTRUMENTS

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

(₹ million)

Particulars (as at 31 March 2025)	FVTPL	FVTOCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortized cost	Total
Financial assets						
Cash and cash equivalents	-	-	-	-	9,863.45	9,863.45
Bank balances other than cash and cash equivalents	-	-	-	-	6,262.35	6,262.35
Investments	16,363.96	220.38	-	-	5,497.68	22,082.02
Trade receivables	-	-	-	-	31,604.01	31,604.01
Loans	-	-	-	-	385.56	385.56
Derivative assets	-	-	227.94	26.25	-	254.19
Other financial assets	-	-	-	-	3,098.53	3,098.53
Total	16,363.96	220.38	227.94	26.25	56,711.58	73,550.11
Financial liabilities						
Borrowings	-	-	-	-	11,159.43	11,159.43
Lease liabilities	-	-	-	-	7,722.80	7,722.80
Trade payables	-	-	-	-	9,784.67	9,784.67
Derivative liabilities	-	-	215.46	165.70	-	381.16
Other financial liabilities	1,839.14	-	-	-	11,274.14	13,113.28
Total	1,839.14	-	215.46	165.70	39,941.04	42,161.34
Particulars (as at 31 March 2024)						
Financial assets						
Cash and cash equivalents	-	-	-	-	8,049.14	8,049.14
Bank balances other than cash and cash equivalents	-	-	-	-	94.51	94.51
Investments	28,000.32	1,148.41	-	-	1,750.38	30,899.11
Trade receivables	-	-	-	-	27,027.47	27,027.47
Loans	-	-	-	-	341.97	341.97
Derivative assets	-	-	359.37	32.08	-	391.45
Other financial assets	-	-	-	-	2,034.79	2,034.79
Total	28,000.32	1,148.41	359.37	32.08	39,298.26	68,838.44
Financial liabilities						
Borrowings	-	-	-	-	15,435.67	15,435.67
Lease liabilities	-	-	-	-	8,450.18	8,450.18
Trade payables	-	-	-	-	7,983.13	7,983.13
Derivative liabilities	-	-	52.57	40.99	-	93.56
Other financial liabilities	296.68	-	-	-	10,353.94	10,650.62
Total	296.68	-	52.57	40.99	42,222.92	42,613.16

CONSOLIDATED FINANCIAL STATEMENTS

38. FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

(₹ million)

Particulars	As at 31 March 2025				As at 31 March 2024			
	Fair value measurements at reporting date using				Fair value measurements at reporting date using			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Assets								
Investments	16,584.34	16,584.34	-	-	29,148.73	28,604.38	544.35	-
Derivative assets	254.19	-	254.19	-	391.45	-	391.45	-
Liabilities								
Derivative liabilities	381.16	-	381.16	-	93.56	-	93.56	-
Other financial liabilities	1,839.14	-	-	1,839.14	296.68	-	-	296.68

Valuation techniques and significant unobservable inputs

Level 2:

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

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

Level 3:

Contingent consideration: The Group uses the discounted cash flows method. The valuation model considers the present value of the future expected payments based on contractual terms, discounted using a risk adjusted discount rate of 3.7%.

Reconciliation of level 3 fair value measurement of financial liabilities is as follows:	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	296.68	2,366.07
Additions	1,827.90	400.64
Payments	-	(486.03)
Gain on reversal of contingent consideration	(296.68)	(2,004.82)
Translation exchange differences from foreign operations	11.24	20.82
Balance at the end of the year	1,839.14	296.68

Offsetting financial assets with liabilities

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

The quantitative information about offsetting financial asset is as follows:

	As at 31 March 2025	As at 31 March 2024
Gross amount of recognised trade receivables (net of provision for ECL) - Billed	15,266.07	15,950.65
Gross amount of factored trade receivables and volume discount set off in the balance sheet	(4,388.17)	(4,123.77)
Net amount presented in balance sheet	10,877.90	11,826.88

39. FINANCIAL RISK MANAGEMENT

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

39. FINANCIAL RISK MANAGEMENT (Continued)

CREDIT RISK

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

Trade receivables

Credit risk is managed by each business unit subject to the Group's established policies, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored. No single customer groups accounted for more than 10% of the trade receivable for the year ended 31 March 2025 (31 March 2024: nil).

Credit risk exposure

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

(₹ million)

Particulars	As at 31 March 2025	As at 31 March 2024
Trade receivables	31,604.01	27,027.47
Contract assets	872.37	143.47
Total	32,476.38	27,170.94

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

The allowance for lifetime expected credit loss for the years ended 31 March 2025 and 31 March 2024 was ₹ 892.06 million and ₹ 310.71 million respectively. The reconciliation is as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Balance as per previous financial statements	1,675.52	1,345.22
Charge for the year	892.06	310.71
Translation exchange differences	11.69	19.59
Closing balance	2,579.27	1,675.52

Investments, financial instruments and deposits with banks

Credit risk is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investments in liquid mutual fund units, State Development Loans, deposits and bonds issued by Government owned entities and highly rated financial institutions. Counterparty credit limits are reviewed by the Group periodically and the limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. Three banks individually accounted for more than 10% of the Group's deposits and bank balances as at 31 March 2025 (31 March 2024: Two banks).

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to the risk of changes in interest rates relates primarily to the Group's debt obligations with floating interest rates. The Group's borrowings are short term / working capital in nature.

The interest rate profile of the Group's interest-bearing financial instruments is as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Fixed rate instruments	13,851.04	2,898.79
Variable rate instruments	-	544.35
Borrowings	11,159.43	15,435.67

A change of 100 basis points in interest rates would have increased or decreased profit after tax by ₹ 21.19 million (31 March 2024: ₹ 89.76 million). This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

CONSOLIDATED FINANCIAL STATEMENTS

39. FINANCIAL RISK MANAGEMENT (Continued)

LIQUIDITY RISK

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

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

(₹ million)

Particulars	As at 31 March 2025	As at 31 March 2024
Cash and cash equivalents	9,863.45	8,049.14
Bank balances other than cash and cash equivalents	6,262.35	94.51
Current investments	17,844.25	25,927.70
Total	33,970.05	34,071.35

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

Financial liabilities (As at 31 March 2025)	On demand	0-180 days	180-365 days	365 days and above	Total
Trade payables	-	9,784.67	-	-	9,784.67
Borrowings	-	11,159.43	-	-	11,159.43
Lease liabilities	-	1,199.90	1,148.14	7,113.30	9,461.34
Other financial liabilities	-	13,189.28	-	305.16	13,494.44
Total financial liabilities	-	35,333.28	1,148.14	7,418.46	43,899.88

Financial liabilities (As at 31 March 2024)	On demand	0-180 days	180-365 days	365 days and above	Total
Trade payables	-	7,983.13	-	-	7,983.13
Borrowings	-	15,435.67	-	-	15,435.67
Lease liabilities	-	950.04	1,264.33	8,322.26	10,536.63
Other financial liabilities	-	8,419.68	-	2,324.50	10,744.18
Total financial liabilities	-	32,788.52	1,264.33	10,646.76	44,699.61

FOREIGN CURRENCY EXCHANGE RATE RISK

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

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

39. FINANCIAL RISK MANAGEMENT (Continued)

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

(₹ million)

As at 31 March 2025					
Financial assets	USD	GBP	EUR	Others	Total
Trade receivables	12,786.04	558.42	330.76	950.79	14,626.01
Cash and cash equivalents	4,736.03	-	27.54	28.26	4,791.83
Total financial assets	17,522.07	558.42	358.30	979.05	19,417.84
Financial liabilities					
Trade payables	52.55	1.19	7.02	63.17	123.93
Borrowings	6,073.01	-	-	-	6,073.01
Other financial liabilities	1,382.14	-	-	-	1,382.14
Total financial liabilities	7,507.70	1.19	7.02	63.17	7,579.08
Net financial assets	10,014.37	557.23	351.28	915.88	11,838.76
As at 31 March 2024					
Financial assets	USD	GBP	EUR	Others	Total
Trade receivables	14,271.41	352.68	570.03	236.93	15,431.05
Cash and cash equivalents	3,357.08	-	39.87	230.15	3,627.10
Total financial assets	17,628.49	352.68	609.90	467.08	19,058.15
Financial liabilities					
Trade payables	55.12	0.53	16.11	61.30	133.06
Other financial liabilities	240.58	-	-	-	240.58
Total financial liabilities	295.70	0.53	16.11	61.30	373.64
Net financial assets	17,332.79	352.15	593.79	405.78	18,684.51

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

Cash flow hedges

As at 31 March 2025, the Group held following instruments to hedge exposures to changes in foreign currency.

Forward exchange contracts	0-180 days	180-365 days	365 days and above
Average INR USD forward contract rate	85.48	86.57	88.98
Average INR GBP forward contract rate	111.02	113.79	-
Average INR EUR forward contract rate	96.18	97.79	-

As at 31 March 2024, the Group held following instruments to hedge exposures to changes in foreign currency.

Forward exchange contracts	0-180 days	180-365 days	365 days and above
Average INR USD forward contract rate	84.07	85.24	85.82
Average INR GBP forward contract rate	103.01	105.46	-
Average INR EUR forward contract rate	89.99	94.54	-

Forward contracts outstanding against financial assets are as below:

Currency	As at 31 March 2025		As at 31 March 2024	
	Amount (million)	Amount in (₹ million)	Amount (million)	Amount in (₹ million)
Balance sheet hedges				
USD	117.16	10,014.38	204.44	17,051.64
GBP	5.03	557.23	3.42	359.06
EUR	3.81	351.28	6.61	593.80
CAD	11.32	675.54	5.72	350.85
AUD	3.86	207.50	-	-
SGD	0.61	38.81	0.80	49.13
SEK	-	-	0.62	4.82

CONSOLIDATED FINANCIAL STATEMENTS

39. FINANCIAL RISK MANAGEMENT (Continued)

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

Currency	As at 31 March 2025		As at 31 March 2024	
	Amount (million)	Amount in (₹ million)	Amount (million)	Amount in (₹ million)
Balance sheet hedges				
USD	208.81	17,848.09	12.23	1,019.64
GBP	9.70	1,073.72	-	-
EUR	6.29	578.82	5.98	537.15
AUD	7.03	378.46	4.62	249.86

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

USD	97.81	8,360.31	41.72	3,479.38
EUR	2.70	248.47	1.40	125.52
AUD	2.83	152.01	0.68	36.53
CAD	2.64	157.41	-	-

Sensitivity analysis

For every 1% appreciation / depreciation of the respective foreign currencies, the Group's profit before taxes will be impacted by approximately ₹ 18.76 million for the year ended 31 March 2025 (31 March 2024: ₹ 14.47 million).

40. FAIR VALUES

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

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

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

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

41. HEDGING ACTIVITIES AND DERIVATIVES

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

During the years ended 31 March 2025 and 31 March 2024, the Group has designated certain foreign exchange forward as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable cashflow forecast transactions. The related hedge transactions for balance in cash flow hedge reserve as at 31 March 2025 are expected to occur and reclassified to statement of profit and loss within 2 years.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of its forecasted cash flows. While determining the appropriate hedge ratio, the Group takes into consideration the prevailing macroeconomic conditions, the availability and liquidity of the hedging instruments, tolerance levels for hedge ineffectiveness and the costs of hedging. Hedge effectiveness is determined at the inception of hedge relationship, and through periodic prospective effectiveness assessment to ensure than an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items. Designated cash flow hedges are measured at FVTOCI. Other derivatives which are not designated as hedge are measured at FVTPL.

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

CONSOLIDATED FINANCIAL STATEMENTS

4.1. HEDGING ACTIVITIES AND DERIVATIVES (Continued)

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

Currency	As at 31 March 2025			As at 31 March 2024		
	Number of contracts	Notional amount (million in respective currencies)	Fair value gain / (loss) (₹ million)	Number of contracts	Notional amount (million in respective currencies)	Fair value gain / (loss) (₹ million)
USD	184	633.50	(28.65)	313	587.50	314.97
GBP	12	10.74	5.18	18	4.17	(8.27)
EUR	12	12.59	35.95	16	7.90	0.10
Total			12.48			306.80

The Group has entered into derivative instruments not in hedging relationship by way of foreign exchange forwards. As at 31 March 2025 and 31 March 2024, the notional amount of outstanding contracts (sell) aggregated to ₹ 31,723.82 million and ₹ 22,157.96 million, respectively and the notional amount of outstanding contracts (buy) aggregated to ₹ 8,918.21 million and ₹ 3,641.42 million, respectively. Fair value of these contracts have a net loss ₹ (139.45) million and ₹ (8.91) million.

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

	Year ended 31 March 2025	Year ended 31 March 2024
Balance as per previous financial statements	229.59	(588.77)
Change in fair value of effective portion of cash flow hedges	(228.13)	655.82
(Gain) / loss transferred to statement of profit and loss on occurrence of forecasted hedges	(66.19)	554.90
Income tax effect on the above	74.08	(392.36)
Total	9.35	229.59

Sensitivity analysis

For every 1% appreciation / depreciation of the respective underlying foreign currencies, the Group's OCI will decrease / increase by approximately ₹ 545.19 million (31 March 2024: ₹ 484.43 million).

4.2. Additional regulatory information

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

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

4.3. SUBSEQUENT EVENTS

The Board of Directors in their meeting held on 24 April 2025 have proposed a final dividend of ₹ 57 per equity share for the year ended 31 March 2025 which is subject to the approval of shareholders at the ensuing Annual General Meeting and if approved, would result in a cash outflow of approximately ₹ 10,835.46 million.

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

Chartered Accountants

ICAI Firm registration number:

101248W/W-100022

Arjun Ramesh

Partner

Membership No. 218495

Bengaluru

24 April 2025

for and on behalf of the Board of Directors

Nitin Rakesh

Chief Executive Officer & Managing Director

DIN: 00042261

New York

Aravind Viswanathan

Chief Financial Officer

New York

24 April 2025

Maureen Anne Erasmus

Director

DIN: 09419036

London

Sivaramakrishnan

Puranam

Senior Vice President &

Company Secretary

Bengaluru

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Global Economy

The global economy demonstrated resilience in 2024, despite persistent challenges, including geopolitical and internal political tensions in some major countries. OECD estimates the economy grew steadily but moderately, with GDP expanding by 3.2% in 2024.

The United States maintained above-average growth of 2.8% in 2024, while Europe's recovery was slower. In many economies, inflation declined steadily but remained above central bank targets. The Fed began its first monetary policy easing in more than four years in September 2024. Monetary policy began to ease in many economies during the second half of the year, supporting growth and improving credit availability.

Recent activity indicators, however, suggest that the outlook for global growth is becoming less optimistic. Underlying inflation is now projected to remain above central bank targets in many economies. At the same time, uncertainty around trade policy has significantly increased in recent months. A series of recently announced trade policy measures will have implications for the economic outlook, if sustained.

As per OECD estimates, annual real GDP growth in the United States is projected to slow down to 2.2% in 2025, and Euro area real GDP growth is projected to be 1.0%. McKinsey's March 2025 outlook on economic conditions noted that other than geopolitical instability, changes in trade policies could be an equally disruptive force, both in the world economy and within countries.

IT Industry Outlook

Amidst this economic backdrop, advancements in technology are fundamentally changing the cost structures and innovation pathways for organizations. Artificial Intelligence and specifically Generative AI is seen as the driving force for the transformation of enterprises. It has the potential to reshape industries, drive innovation, transform operations, enhance productivity, improve data-driven decision making and human-machine collaboration across the value chain.

Gartner forecasts that worldwide IT spending in services will reach \$1.7 trillion in 2025, marking a 9% increase from 2024. As AI technologies become increasingly integral to business operations, Gartner predicts GenAI services spending in 2025 at over \$27 billion, a 162% increase over 2024.

India's technology industry witnessed resilient growth in FY25 with revenue (including hardware) estimated to grow at a rate of 5.1% to reach \$283 billion, an addition of nearly \$14 Bn over last year. Exports at \$224 billion is expected to grow 4.6%, while the Domestic technology sector is expected to grow 7.0%. Despite the irreversible shifts led by AI and global headwinds, the industry continues to be a net hirer and is expected to add 126K net employees this year, taking the total workforce to 5.8 million. Core markets USA and BFSI resurfaced as the key growth drivers with APAC, Telecom, Retail and Healthcare emerging as the other key growth markets for the industry.

Mphasis Overview

Mphasis is an Information Technology solutions provider that applies next-generation technology to help enterprises transform businesses globally. The company was formed in June 2000 after the merger of Mphasis Corporation and BFL Software Limited. In June 2006, EDS purchased a controlling stake in this company. In August 2008, Hewlett-Packard (HP) acquired EDS. On 4 April 2016, HP entered into a definitive agreement with private equity funds managed by Blackstone to sell the shares held by it in the Company. In September 2016, Blackstone Group through its fund "Marble II PTE" completed the share purchase and the Company has become a Blackstone group of Company since then. Blackstone is one of the world's leading investment and advisory firms with over US\$1 trillion in assets under management. In April 2021, Blackstone committed up to \$2.8 billion to acquire controlling stake in Mphasis, along with Abu Dhabi Investment Authority (ADIA) and UC Investments (Office of the Chief Investment Officer of The Regents, University of California) and other long-term investors. They currently hold 40.14% stake in Mphasis.

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

Mphasis' unique tribes-led, competency-based go-to-market (GTM) and solutioning model positions it strongly in digital areas -the tribes are GTM specialists organized around high-demand tech themes that are instrumental in driving clients' next-generation tech agendas. Mphasis continually creates new tribes or redesigns existing ones based on the what it sees as high-potential secular opportunities. The company's go-to-market strategy is aligned to focus on dedicated farming and strategic hunting by leveraging domain expertise aligned to key industry verticals in target markets.

At Mphasis, platforms like Talent Next encourages the implementation of learning initiatives tailored for employees, aimed at nurturing, and sustaining their thinking and judgment capabilities. These programs facilitate comprehension of AI principles, interpretation of its outcomes and enables informed decision-making.

The Mphasis.AI platform offers a comprehensive suite of AI tools and services designed to help clients accelerate their journey towards becoming AI-first enterprises. Intelligent orchestration through composable platforms is the cornerstone of our AI strategy. From creating hyper-personalized interfaces for building business workflows, to creating domain-centric solutions, to enabling intelligent decisions and to implementing automation that reimagines business process.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

In 2024, Mphasis launched a new Cyber Fusion Center in Bangalore, India. This center leverages Artificial Intelligence (AI), Machine Learning (ML), and Automation to detect, analyze, and mitigate evolving cyber threats in real time. This facility is designed to offer 24x7 advanced threat detection, incident response, and continuous threat monitoring for global clients across industries.

During the year, Mphasis launched NeoCrux™ and NeoZeta™ platforms, for AI-driven Software Engineering and Enterprise Modernization. NeoCrux™ is an industry-first tool designed to improve developer productivity by streamlining the Software Development Lifecycle with the help of Gen AI-powered Agent Orchestrator. It also allows engineers to integrate fit-for-purpose AI Agents rather than relying on one AI agent.

NeoZeta™, is an AI-powered modernization platform that minimizes 'Time to Market' and reduces cost of modernization. NeoZeta™ transforms enterprise application modernization by unlocking hidden knowledge in code and non-code artifacts, offering virtually unlimited shelf-life for the software systems developed on the platform.

As clients look to realize immediate value from enabling AI across the enterprise, our Savings-Led Transformation™ approach along with the infusion of our NeoZeta™ and NeoCrux™ AI platforms, is leading to a significant increase in our AI-led deals, as evidenced in our deal wins and pipeline growth.

Revenues

Reported Net revenue in FY25 was ₹142,300 million, representing a growth of 7.2% over FY24. During the year the rupee depreciated 2.1% against USD. Adjusting for the rupee depreciation, net revenue grew 5.1% in FY25.

Overall gross revenue grew 6.7% in FY25 to ₹ 142,234 million. Adjusted for currency fluctuations, overall gross revenue grew 4.6% in FY25.

Direct revenue grew 7.6% on a reported basis and 5.6% in constant currency basis in FY25 to ₹ 136,630 million. Growth in Direct Business has been aided by ramp-ups in many large customers we won recently.

We continue to de-risk DXC business, the revenues of which declined 11.0% on a reported basis in FY25. Revenue from DXC was ₹ 3,741 million in FY25 and constituted only 2.6% of the gross revenue.

(₹ million)

	Year ended 31 Mar 2025	%	Year ended 31 Mar 2024	%
Direct	136,630	95%	126,938	95%
DXC	3,741	3%	4,205	3%
Others	1,863	2%	2,197	2%
Total	142,234		133,340	

Segment Revenues

A segment analysis of revenues for the year ended March 2025 is given below:

Focus vertical of Banking and Financial Services grew 8.9% on a reported basis over FY24, coming back from a weak mortgage segment in FY24. Banking and Financial Services and Insurance segments comprise 60.0% of our overall revenue. Revenues from Technology, Media and Telecom have also demonstrated strong growth in FY25.

(₹ million)

Segment	Year ended 31 Mar 2025	%	Year ended 31 Mar 2024	%
Segment Revenue				
Banking and Financial Services	69,089	49%	63,423	47%
Insurance	16,228	11%	14,570	11%
Technology Media and Telecom	23,939	17%	21,298	16%
Logistics & Transportation	17,718	12%	18,287	14%
Others	15,260	11%	15,762	12%
Total Revenues	142,234		133,340	

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Revenues by Geography

(₹ million)

Regions	Year ended 31 Mar 2025	%	Year ended 31 Mar 2024	%
AMERICAS	115,644	81%	107,167	80%
EMEA	14,970	15%	14,996	11%
INDIA	7,859	5%	7,488	6%
ROW	3,761	3%	3,689	3%
Total Revenues	142,234		133,340	

Americas is our prime market, and this geography contributed 81% of our revenues in FY25. Revenues from this region grew 7.9% in FY25 on a reported basis

Revenues by Service Type

(₹ million)

Service Type	Year ended 31 Mar 2025	%	Year ended 31 Mar 2024	%
Application Services	101,789	72%	94,455	71%
Business Process Services	22,909	16%	22,075	16%
Infrastructure Services	17,536	12%	16,810	13%
Total Revenues	142,234		133,340	

Application Services include assisting customers with the design and development of customized software applications and maintenance, enhancement and testing of customers developed and third-party software. Reported revenues grew 7.8% in FY25.

Business Process Services include customer service, transaction processing, and compliance knowledge processing including certain projects involving complete transformation and integration of processes using automation tools. Reported Revenues from these services grew 3.8% in FY25.

Infrastructure Services include end-to-end managed mobility solutions covering workplace management and other services, hosting services, data center services, payment managed solutions and help desk. Reported Revenues from these services grew 4.3% in FY25.

The company has demonstrated broad-based growth across all service types in FY25.

Revenues by Delivery Location

(₹ million)

Delivery Location	Year ended 31 Mar 2025	%	Year ended 31 Mar 2024	%
Onsite	82,997	58%	71,160	53%
Offshore	59,237	42%	62,180	47%
Total Revenues	142,234		133,340	

Revenues by Project Type

(₹ million)

Project Type	Year ended 31 Mar 2025	%	Year ended 31 Mar 2024	%
Time and Material	82,644	58%	77,666	58%
Transaction Based*	14,156	10%	13,579	10%
Fixed Price	45,434	32%	42,095	32%
Total Revenues	142,234		133,340	

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

We continue to focus on increasing the revenues from Fixed Price and Transaction based contracts and the revenue from these contracts have increased 7.0% in FY25. They constituted about 42% of overall revenue in FY25.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

(₹ million)

	Year ended 31 Mar 2025	Year ended 31 Mar 2024	YoY Growth %
Gross Revenues	142,234	133,340	6.7%
Profit / (loss) on cash flow hedges reclassified to revenue	66	(555)	
Net Revenues	142,300	132,785	7.2%
Cost of revenues	101,523	95,950	5.8%
Gross profit	40,777	36,835	10.7%
GM%	28.7%	27.7%	1.0%
Selling expenses	10,653	9,260	15.0%
SE %	7.5%	7.0%	0.5%
General and administrative expenses	8,418	7,461	12.8%
GA %	5.9%	5.6%	0.3%
Operating profit	21,706	20,114	7.9%
Operating Margin	15.3%	15.1%	0.2%
Foreign exchange gain, net	20	131	-84.7%
Other income, net	2,529	2,046	23.6%
Interest expenses	(1,654)	(1,608)	2.9%
Profit before taxation	22,601	20,683	9.3%
Income taxes	5,580	5,135	8.7%
- Current	5,535	5,776	-4.2%
- Deferred	45	(641)	-107.0%
Net profit	17,021	15,548	9.5%
Earning per share (par value ₹ 10)	89.9	82.4	9.1%

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

*The above classification of expenses is based on management reporting

Cost of Revenues

Cost of revenues primarily comprise of direct costs and includes direct people costs, travel, facility expenses, network and technology costs. Consolidated cost of revenues for FY25 was at ₹ 101,523 million. Cost of revenues was 71.3% of revenues as compared to 72.3% during the previous financial year.

Selling Expenses

Selling expenses for the year ended March 2025 were 10,653 million representing 7.5% of revenues against 7.0% of revenues in the previous year.

General and administrative Expenses

General and administrative expenses for the year ended March 2025 were 8,418 million representing 5.9% of revenues, against 5.6% in the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Operating Profit

Operating profit for the year ended March 2025 was ₹ 21,706 million representing a growth of 7.9% over FY24.

Income Taxes

Income taxes were ₹ 5,580 million for FY25 as compared to ₹ 5,135 million for FY24. The effective tax rate decreased from 24.8% in FY24 to 24.7% in FY25.

Net Profit

Net profit for FY25 increased 9.5% over FY24 to ₹ 17,021 million. Net margin for FY25 was 12.0% as against 11.7% for FY24.

Earnings per share

Earnings per share increased by 9.1% from ₹ 82.4 for the year ended March 2024 to ₹ 89.9 for the year ended March 2025.

Ratios

Ratios	Year ended 31 Mar 2025	Year ended 31 Mar 2024
Debtors Turnover	4.9	5.1
Current Ratio	1.6	1.6
Interest Coverage Ratio*	13.1	12.5
Debt Equity Ratio	0.1	0.2
Operating Profit Margin	15.3%	15.1%
Net Profit Margin	12.0%	11.7%
Return on Equity	18.5%	18.6%
Inventory Turnover	NA	NA

The Company has delivered returns of 18.5% this year under an uncertain macro-environment and continues to generate strong operating cash flow. The Company continues to pay consistent dividends to its shareholders and maintain a strong cash position as well.

DIRECTORS' PROFILE

Ms. Jan Kathleen Hier, Chairperson

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

Formerly, she was the Executive Vice President at Charles Schwab responsible for centralized support services including Schwab Technology Services, Operational Services and Offshore Services. Additionally, she held other positions including Chief Information Officer, Executive Vice President of Human Resources and Head of Electronic Brokerage Technology that developed schwab.com.

Before joining Schwab in 1994, Ms. Jan Kathleen Hier served as a Vice President of engineering at Transaction Technology, Inc., a Citicorp subsidiary, where she was responsible for providing distributed technology to Citibank businesses worldwide. Prior to Citibank, she was an economist with the Bureau of Labor Statistics.

Ms. Jan Kathleen Hier was also a partner of a start-up (Bicycle Financial – www.bicyclefinancial.com). She is currently a Board member of privately held Blackhawk Network, a provider of value-added payments.

Ms. Jan Kathleen Hier earned her Bachelor's degree in Economics and attended Post-Graduate studies at Syracuse University, New York, USA.

Mr. Nitin Rakesh, Chief Executive Officer and Managing Director

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

Mr. Nitin Rakesh is a distinguished leader in the Technology and Financial services industries. His career spans almost 30 years, leading large transnational operations and delivering transformative digital solutions to Fortune 500 companies. A computer science engineer at heart, Nitin's lifelong passion for Innovation and Technology is evident throughout his career. Coupled with his deep domain expertise in Banking, Financial Services and Insurance verticals, strong customer orientation and an entrepreneurial mindset, he has been able to bring cutting-edge offerings consistently to accelerate value creation for customers, shareholders and employees.

His leadership is marked by continuous innovation, a tech-centric approach and a seamless merging of technology and business to create transformative solutions. By prioritizing the acceleration of value for clients, shareholders and employees, he instilled a culture of growth in Mphasis (the "Company"). Recently, under his leadership, the Company introduced 'Mphasis.ai', a first-of-its kind business unit, focused on transforming organizations globally by unlocking the potential of Artificial Intelligence (AI) to maximize business outcomes. The Company advanced to the 94th percentile in the 2025 S&P Global DJSI Corporate Sustainability Assessment, up from the 90th percentile last year, with an overall score of 74/100 and strong performance across Environment (82nd), Social (95th), and Governance (95th) percentiles. Mphasis has been recognized with the 2025 Cybersecurity Excellence Award in the Identity and Access Management category, underscoring its commitment to driving security innovation and delivering impactful solutions to enterprises globally. Moreover, guided by his leadership, the Company made strategic investments and expanded into cutting-edge technologies, with over three-quarters of its revenue growth stemming from next-generation services.

Earlier, as the Founding CEO and Managing Director of Motilal Oswal Asset Management Company, he led the launch of many award-winning innovative investment products, including India's first US equities-based Exchange Traded Fund that tracks the NASDAQ-100 index. His work with companies on advising them on their transformation roadmap with an 'Applied Technology' mindset earned him several Stevie awards in the past years.

He is one of the first 250 CEOs globally across 26 countries who has committed to build an inclusive work environment, end disability inequality through business performance and create social and economic value of people living with disabilities across the world. Nitin on behalf of Mphasis, has been an active member of US – India Strategic Partnership Forum (UWPF) and member of the NASSCOM executive council in the past. Furthermore, Nitin serves as a founding Trustee of Ashoka University in India, underscoring Mphasis' commitment to fostering innovation and education. Under his leadership, IIT Madras and Mphasis collaborated to establish a Quantum Lab, aimed at accelerating applied research in quantum computing to address real-world business and societal challenges. Nitin is also a founding member of Plaksha University in India, a new model of engineering education and research through collective philanthropy to transform higher education in India.

Ms. Maureen Anne Erasmus, Non-Executive Independent Director

Ms. Maureen Anne Erasmus (Maureen Erasmus) was appointed to the Board of Mphasis in December 2021. Ms. Maureen Erasmus has extensive experience in Financial Services, including Investment Banking, Asset Management and Wealth Management, having worked across Developed and Emerging markets for more than 35 years. Until 2017, she was a partner at Bain and Company Inc. (London), where she led major assignments across Europe, Middle East and Africa on Corporate and Investment Banking turnaround strategies. Prior to this, she held senior executive roles at Merrill Lynch in London and New York. Currently, Ms. Maureen Erasmus is a non-executive director on three other corporate boards, namely Credit Suisse, UK (Chair), Mizuho International (Board Chairperson and Chair of Nomination Committee) and Vanguard Investment, UK Ltd., (Chair of Audit & Compliance). Ms. Maureen Erasmus is a graduate of the University of Cape Town.

DIRECTORS' PROFILE

Ms. Courtney Karlan della Cava, Non-Executive Director

Ms. Courtney Karlan della Cava (Courtney della Cava) joined the Board of Mphasis in December 2021. Ms. Courtney della Cava is a Senior Managing Director and Global Head of Portfolio Talent and Organizational Performance at Blackstone. Before joining Blackstone in 2021, Ms. Courtney della Cava served as a Partner at Bain & Company in its Organization (Leadership and Talent) practice where she advised corporate and Private Equity clients on CEO succession, CEO and board effectiveness and broader organizational talent strategies and solutions.

In addition to her more than 20 years of global management consulting experience across a range of industries, company lifecycles and geographies at Bain & Company, Ms. Courtney della Cava also served as a Partner and Managing Director of Russell Reynolds Associates, a global executive search and talent assessment firm, and European Marketing Director for Mars, Inc. She began her career in marketing at WPP working with Procter & Gamble, Pepsi and Nintendo.

She also serves on the board of Renaissance Learning and provides regular expert commentary on leadership, culture and innovative talent management for many publications including The Wall Street Journal and Fortune.

Ms. Courtney della Cava earned an MBA from The Wharton School of the University of Pennsylvania and graduated from The University of California, Los Angeles, with a B.A. in Economics.

Mr. Sunil Gulati, Non-Executive Independent Director

Mr. Sunil Gulati joined the Board of Mphasis in April 2024. Mr. Sunil Gulati is a Michael Dakolias Senior Lecturer in economics at the Economics Department of Columbia University and brings with him a wealth of academic and professional experience. He began his journey with Columbia University in 1986 serving as a faculty member for four years. In 1991, he ventured into international development with the World Bank's Young Professionals Program serving as a country economist for Moldova. After spending several years as an executive at World Cup USA 1994 and as a founding member of Major League Soccer he returned to Columbia University in 2003.

Hailing from Allahabad, India, Mr. Gulati's influence extends beyond academia into sports, particularly soccer. He has played a pivotal role in shaping the landscape of U.S. Soccer since the early 1980s, contributing significantly to the rise of the U.S. National Teams. He was elected U.S. Soccer President in 2006 and subsequently re-elected in 2010 and 2014. He served the sport at the international level as a member of the FIFA Executive Committee from 2013 to 2021 and on various committees and task forces, including the Independent Governance Committee, which provided recommendations for structural changes within FIFA.

Mr. Sunil Gulati currently serves as the Chairman of UEFA's Club Financial Control Body and holds a directorship on the Board of T20 World Cup USA Inc. Mr. Sunil Gulati also serves as a trustee at Bucknell University, where he graduated Magna Cum Laude and Phi Beta Kappa in 1981. Mr. Sunil Gulati's academic journey includes earning his M.A. and M. Phil. in Economics from Columbia University.

Mr. Girish Paranjpe, Non-Executive Independent Director

Mr. Girish Paranjpe joined the Board of Mphasis in October 2024.

Mr. Girish Paranjpe is a co-promoter of Exfinity Venture Partners, a venture fund which invests in tech start-ups. He is a General Partner at Exfinity and a member of the Investment Committee. Earlier, Mr. Paranjpe served as the Co-CEO of Wipro's Information Technology (IT) business during 2008-2011 and was a member of its Board. Mr. Girish Paranjpe has a two decade- tenure at Wipro, where he led the IT business and held other senior positions, as President - Financial Services Consulting and Marketing, Head - Financial Services and CFO - IT business. Mr. Paranjpe was the Managing Director of Bloom Energy International, a Silicon Valley-based alternative energy company. Mr. Paranjpe was an operating partner at Advent International till 2022, a private equity firm headquartered at Boston, USA. He also serves as an Independent Director on the Board of Axis Bank Limited, CRISIL Limited, Axis Max Life Insurance Company Limited, Modenik Lifestyle Private Limited and IBS Software Pte Ltd, Singapore. He was also a part of Prime Minister of India's Task Force on Information Technology, NASSCOM, and International Advisory Board of Credit Agricole.

Mr. Paranjpe is a commerce graduate and fellow member of the Institute of Chartered Accountants of India and the Institute of Cost Accountants of India.

Mr. Amit Dixit, Non-Executive Director

Mr. Amit Dixit joined the Board of Mphasis in September 2016. Mr. Amit Dixit, based in Mumbai, is Head of Asia for Blackstone Private Equity. Since joining Blackstone in 2007, Mr. Amit Dixit has been involved with various investments and investment opportunities in South Asia and global technology-enabled services. Previously, Mr. Amit Dixit was a Principal at Warburg Pincus and started his career at Trilogy Software. He received an MBA from Harvard Business School, an MS in Engineering from Stanford University and a B.Tech. from Indian Institute of Technology Mumbai where he was awarded the Director's Silver Medal for graduating at the top of his program.

Mr. Amit Dixit has established the first Chair, the "Shobha Dixit Chair" exclusively for women faculty pursuing research in science and technology at IIT Mumbai. He currently serves as a Director of TaskUs, Aadhar Affordable Housing Finance, Essel Propack, ASK Investment Managers Limited, VFS Global AG and Blackstone India. Mr. Amit Dixit was previously a Director of Intelenet Global Services, Trans Maldivian Airways, PGP Glass Private Limited, Jagran Media, Midday Infomedia Ltd., Igarashi Motors India, S.H. Kelkar Fragrances, Emcure Pharmaceuticals, IBS Software, Aakash Educational Services Limited and Sona Comstar.

DIRECTORS' PROFILE

Mr. David Lawrence Johnson, Non-Executive Director

Mr. David Lawrence Johnson (Dave Johnson) joined the Board of Mphasis in September 2016.

Mr. Dave Johnson is the chairman of Glilot Capital Partners and serves on the Boards of Conifers.ai and NTx. Mr. Dave Johnson is a Director of Mercy University, New York, USA.

Mr. Johnson was a Director and CFO of TLG Acquisition One Corp., (merged into Electriq Power) a special purpose acquisition corporation focused on digital technologies and listed on the New York Stock Exchange.

Previously, Mr. Dave Johnson was also a senior managing director at Blackstone, where he led many of their Private Equity technology investments. He joined the firm in 2013 and is based in New York. Before joining Blackstone, Mr. Dave Johnson was the Senior Vice President of Strategy at Dell Corporation, where he was responsible for corporate strategy, software, corporate development and acquisition integration. Prior to joining Dell, Mr. Dave Johnson held a number of managerial positions across IBM's business lines, including the CFO of its \$18B Technology Group and ultimately leading IBM's Corporate Development organization, responsible for the company's acquisitions, divestitures, minority investments and acquisition integration.

Mr. Dave Johnson has also served on 11 Boards, including being Chairman of Optiv, Cloudreach Inc. and Intsigths.

Mr. Dave Johnson received a B.A. in English and an M.B.A. from Boston College. Mr. Johnson also holds a Professional Masters Degree (PMD) from Harvard University.

Mr. Marshall Jan Lux, Non-Executive Director

Mr. Marshall Jan Lux (Marshall Lux) joined the Board of Mphasis in August 2018. He has been a financial services consultant and practitioner for over 30 years and has been on company's Board or played an advisory role for various private equity companies across industries and geographies. Currently, he works with companies across consumer credit, wealth, insurance, healthcare, technology and financial technology. Mr. Marshall Lux has a broad network of C-suite executives, with whom he has worked with on some of their most important issues.

Mr. Marshall Lux has also played an integral role in many of the largest private equity deals. In addition, he is a member of the Board of Governors of the Online Lending Policy Institute.

Beyond corporate work, Mr. Marshall Lux has also worked on 35 pro bono assignments and has served on a number of not-for-profit boards, including the Harlem Children's Zone, the New York Historical Society's Chairman's Council, the New York Tenement Museum, Junior Achievement and Reading is Fundamental. He is also a member of the Council on Foreign Relations.

Eight years ago, Mr. Marshall Lux decided to broaden his focus areas. He has since been a Senior Fellow at the Mossavar-Rahmani Center for Business and Government at the Harvard Kennedy School. He is also a Senior Advisor to The Committee on Capital Markets Regulation and a Senior Fellow to The Program on International Financial Systems, both at Harvard Law School. Mr. Marshall Lux is also a Senior Fellow at Wharton and Georgetown.

As a thought leader, Mr. Marshall Lux's writings have concerned the unintended consequences of Dodd-Frank on financial services. He has written papers entitled 'The State and Fate of Community Banking,' 'What's Behind the Non-Bank Mortgage Boom,' and 'Out of Reach: Regressive Trends in Credit Card Access'. All papers have been cited in the Financial Times, Wall Street Journal, The New York Times, among others. He has also released papers entitled 'When Markets Quake: The Past, Present, and Future of Online Lending' and 'Hunting High and Low: The Decline of the Small IPO and What to Do About It.' Apart from this, he is also a speaker and has spoken at the House of Small Business Committee, the Federal Reserve and various universities and trade groups.

He began his career at McKinsey, where he served financial service firms across a variety of sub-sectors and functional areas.

Mr. Marshall Lux led McKinsey's and Boston Consulting Group's (BCG's) private equity practice. He has extensive relationships across financial services and private equity (PE) Firms. After approximately 25 years, he left McKinsey to become the Chief Risk Officer for Chase (all consumer products globally) during the financial crisis. He then joined BCG, where he was a Senior Partner for five years and in particular, helped to build a private equity practice while serving financial institutions. For example, Mr. Marshall Lux was BCG's first Senior Partner and built the PE practice. He continues to be an active advisor to BCG.

He attended the Woodrow Wilson School at Princeton University and graduated Summa Cum Laude. Mr. Marshall Lux also attended Harvard Business School where he was a Baker and Ford Scholar (awarded to the number one student in each graduate school).

DIRECTORS' PROFILE

Mr. Amit Dalmia, Non-Executive Director

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

Mr. Amit Dalmia has undergone a management training program with the Indian Institute of Management, Ahmedabad. He received a B.Com. (Hons.) from St. Xavier's College from the University of Kolkata, India. He is also a Chartered Accountant (CA), Company Secretary (CS) and Cost Accountant (ICWA) with three Gold Medals for securing first-ranks in the country.

Mr. Kabir Mathur, Non-Executive Director

Mr. Kabir Mathur joined the Board of Mphasis in December 2021. Mr. Kabir Mathur is currently the Head of Asia Pacific within the Private Equities Department of the Abu Dhabi Investment Authority (ADIA). In this capacity, he is responsible for leading all aspects of ADIA's private equity activities in the Asia Pacific region and is a member of the Private Equity Executive Committee.

Mr. Kabir Mathur serves as a Director of UPL Corporation, Aditya Birla Health Insurance, IIFL Home Finance Ltd. and the holding company of iNova Pharmaceuticals.

Prior to joining ADIA in 2018, Mr. Kabir Mathur worked at Kohlberg Kravis Roberts & Co (KKR) where he was responsible for sourcing, executing and managing private equity investments in Asia. He joined KKR in 2008, having previously worked at TPG Capital, also in their Asian private equity business. He began his career in the Investment Banking division of Citigroup/Salomon Smith Barney.

Mr. Kabir Mathur graduated from the London School of Economics and Political Science with a BSc (Hons.) in Economics.

Mr. Pankaj Sood, Non-Executive Director

Mr. Pankaj Sood joined the Board of Mphasis in December 2021. Mr. Pankaj Sood is the Head of Office, GIC India and leads the Private Equity (Direct Investments) business of GIC India and Africa. He joined GIC in 2010 and is based in Mumbai.

Mr. Pankaj Sood also serves on the boards of Aditya Birla Fashion and Retail Limited and Ather Energy Limited.

Mr. Pankaj Sood has over 25 years of experience in private equity and M&A transactions in India. Prior to GIC, Mr. Pankaj Sood was an investment banker in India in Kotak Investment Bank, Ernst & Young and SBI Capital Markets.

Mr. Pankaj Sood is a post-graduate from Indian Institute of Management Calcutta (1999) and has a Bachelor's degree in Chemical Engineering from Indian Institute of Technology Kharagpur (1996).

BOARD'S REPORT

Dear Shareholders,

We have pleasure in presenting you the thirty fourth Annual Report of your Company for the year ended 31 March 2025.

FINANCIAL PERFORMANCE

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

(₹ million)

Particulars	CONSOLIDATED		STANDALONE	
	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2025	Year ended 31 March 2024
Total Income	144,850	134,963	94,495	92,282
Expenses	122,248	114,280	74,391	71,901
Profit before taxation	22,601	20,683	20,104	20,381
Net Profit	17,021	15,548	15,325	14,461
Transfer to General Reserve	Nil	Nil	Nil	Nil

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

The Standalone and Consolidated Financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules 2015, as amended. A detailed analysis of the performance is available in the section, titled Management Discussion and Analysis of Financial Condition and Results of Operations, of this Annual Report.

OUTLOOK

The tech industry is evolving rapidly, driven by innovation, while global uncertainty, macroeconomic complexities, and geopolitical tensions shape a cautious business environment. Technology remains a top priority for enterprises navigating this environment while balancing growth with operational resilience. As organizations assess the impact of macro uncertainties, there is a focus on key imperatives such as self-funding their transformation initiatives, modernizing and simplifying their tech stacks, and integrating AI into business operations to enhance client experience and drive efficiency. They continue to view AI investment as a strategic priority, regardless of the shifting economic landscape.

The potential of AI and Generative AI is shifting from concept to application, transforming multiple domains across an enterprise. Organizations are increasingly realizing immediate value by enabling AI at scale, enhancing productivity, decision-making, and efficiency. The adoption of AI-augmented ways of working, such as copilots and digital workers, is redefining enterprise workflows, complementing human expertise. As companies embrace this shift, the focus is on driving meaningful innovation and unlocking new growth opportunities through AI-powered transformation. By strategically integrating AI, businesses can achieve competitive differentiation, enhance customer experiences, and build a future-ready enterprise that thrives in an evolving digital landscape.

According to the NASSCOM Strategic Review 2025, the rise of GenAI is driving a global shift toward AI-first, digital-native business models, enabled by the democratization of intelligence. The report highlights how both legacy enterprises and digital-native companies are accelerating investments in future-ready technology. It projects 3.7% y-o-y growth in IT services for FY25, driven by Generative AI and cloud-native technologies. Additionally, insights from the NASSCOM Annual Enterprise CXO Survey 2025 indicate stronger CY25 growth, with enterprises increasing AI-led digital spending and consolidating tech investments into high-impact use cases, shaping the next five years of innovation through 2030.

A McKinsey survey reports that 92% of companies plan to increase their AI investments over the next three years. This surge in adoption reflects AI's transformative impact not just in providing access to information, but in breaking down skill barriers. The report further highlights how AI enables people to develop expertise across various fields, in any language, at any time, reshaping how knowledge is accessed and applied. This shift is driving more efficient problem-solving and fostering broader, more inclusive innovation. The research underscores that while AI will drive significant progress and disruption over time, leaders must act decisively today to remain competitive.

As AI adoption scales, businesses are making decisive strides toward becoming AI-first enterprises. This transformation is unfolding across three key dimensions. First, companies are re-architecting their technology stacks to integrate AI at the core, ensuring seamless automation, efficiency, and scalability. Second, they are rethinking processes to incorporate AI-led services, driving intelligent decision-making and hyper-personalization. Third, organizations are evolving their operating models to be driven by AI-augmented services, enabling enhanced productivity and adaptive strategies.

With the rise of GenAI, the technology services landscape is poised for a fundamental shift. AI is not only streamlining traditional IT services but also expanding its influence across industries, revolutionizing customer experiences, operations, and innovation. From financial services and healthcare to manufacturing and retail, AI-driven transformation is accelerating, unlocking new possibilities and redefining competitive advantages.

Looking ahead, these advancements will collectively contribute to an AI-led economy, where businesses operate with unprecedented intelligence and agility. As enterprises embed AI deeper into their ecosystems, they will drive greater efficiency, and value creation, setting new benchmarks for success in the digital era.

BOARD'S REPORT

With the emerging economics of 'tech arbitrage-led solutions,' the business case for modernization becomes increasingly attractive. AI adoption is transforming industries by enhancing efficiency and automating repetitive tasks, while hybrid cloud models provide the flexibility and scalability needed for business agility. As cyber threats continue to rise, organizations emphasize strengthening security measures to safeguard their businesses. Looking ahead, companies are focusing on newer aspects such as the integration of quantum computing and the continued acceleration of digital transformation across sectors to drive innovation and long-term growth.

Despite these advancements, the industry faces several challenges, including a skill gap in emerging technologies, growing cybersecurity threats and environmental impact. It is imperative to recognize the need for a skilled workforce to ensure effective collaboration between humans and AI in achieving customer outcomes. A balanced approach that combines automation with human expertise will be key to maximizing AI's potential, especially for technologies such as Agentic AI.

As Generative AI and AI-led solutions continue to transform businesses, organizations need to keep adapting to these advancements. In this evolving landscape, we remain focused on execution, keeping a sharp eye on the micro as AI-led opportunities unfold.

Our AI innovation approach combines the best of existing advancements with a focus on industry-specific impact. We deliver transformative solutions that drive tangible outcomes, empower industries, and shape AI's future with relevance and purpose.

At Mphasis, we believe that the true value of AI as foundational AI matures will emerge in the application layer. i.e. the layer between the foundational AI and human interface. To this end, our focus has been on creating applied AI solutions, whether it's for enhancing customer experience, employee productivity or enterprise efficiency. Our AI platforms Mphasis NeoZeta™, NeoCrux™ are examples of Applied AI to solve a previously cumbersome human capital-intensive problem with AI powered solutions. Through our Service-Led Transformation™ approach, we are executing fast-moving AI projects that seamlessly integrate human expertise with AI, ensuring enhanced efficiency and impact.

We continue to benefit from our tech-led, account-focused strategy while also seeing positive trends across our business. As a company, we are committed to embedding AI across our services to deliver faster, more intelligent, and efficient solutions to our clients.

We launched a cutting-edge Cyber Fusion Center in Bangalore, reinforcing our commitment to enhancing cybersecurity solutions for global clients. This center operates 24/7, providing advanced threat detection, incident response, and continuous threat monitoring powered by AI, ML, and automation.

Our long-term investments in AI and commitment to innovation are bringing strong outcomes for both our clients and the company. With a differentiated full-stack approach to AI, we are uniquely positioned to lead in this new era and are now seeing our strategy deliver at scale. Our approach is built on four key pillars: establishing a strong data foundation; building enterprise-grade identity and access management to ensure data security and privacy; creating a robust AI technology foundation; and developing a strategic AI roadmap guided by clear design principles.

AI-led transformation is not only creating new opportunities but also redefining service delivery, enabling larger, savings-driven transformation wins, reimagining legacy modernization, expanding our addressable market, and accelerating pipeline growth. Our platforms, NeoZeta and NeoCrux, are delivering significant efficiencies, cost savings, and reduced project risks. As a result, our AI-led deal pipeline has surged from 25% in Q4 FY'24 to 55% in Q3 FY'25, and 65% in Q4. AI continues to power proactive deal creation, strengthen competitiveness, especially in run-the-business spend, and differentiate us through our platform-led approach.

We have established the Mphasis Gen AI Foundry in partnership with AWS to model industry-specific use cases and develop Proof of Concepts (POCs). Driven by the Mphasis.ai business unit, we will collaborate closely with clients to understand and prioritize their unique use cases.

Additionally, to stay ahead in AI-driven software development, we have introduced a GitHub Copilot training program to enhance developer productivity, streamline coding tasks, and elevate code quality. This initiative ensures our teams are equipped with the latest tools to drive innovation.

Beyond technology, at Mphasis we are committed to sustainability-led innovation. Integrating sustainability into our solutions, we lower our environmental impact while empowering clients to meet their sustainability objectives. By harnessing AI, IoT, and cloud computing, we optimize resource efficiency, minimize waste, and enable smarter decision-making.

Your company has joined the global movement by committing to Science-Based Targets Initiative (SBTi) GHG reduction targets, reinforcing our dedication to meaningful climate action. This commitment aligns with our company's broader effort to drive sustainable innovation, reduce our environmental footprint, and create a lasting positive impact on the planet.

As we continue to innovate for the future, we remain focused on building solutions that are intelligent, efficient but also ethical, and sustainable, creating long-term value for our clients, communities, and the planet.

DIVIDEND

In line with the Dividend Distribution Policy of the Company, your directors are pleased to recommend a final dividend of ₹ 57 per equity share of ₹ 10 each for the financial year ended 31 March 2025. The dividend, if approved at the ensuing 34th Annual General Meeting will be paid to those members whose names appear in the Register of Members as on close of Wednesday, 9 July 2025.

BOARD'S REPORT

ENTERPRISE RISK MANAGEMENT

A detailed analysis of monitored risks and their mitigation plans are available in the section headed Management Discussion and Analysis of Risks and Concerns, in this Annual Report.

CORPORATE GOVERNANCE

A report on Corporate Governance along with a certificate from the Secretarial Auditors, confirming the compliance for the year ended 31 March 2025, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed and forms part of this Annual Report.

EMPLOYEES

In an era of rapid technological evolution, your company remains committed to equipping its workforce with the skills, agility, and resilience needed to navigate the ever-changing IT services landscape. Through strategic talent initiatives, we are fostering a culture of continuous learning, adaptability, and innovation, ensuring our employees remain at the forefront of industry transformation.

As customer expectations evolve, technology professionals must embrace upskilling, cross-functional expertise, and emerging digital capabilities. Our FY26 focus is on building a future-ready workforce capable of anticipating industry shifts and delivering transformative, high-impact solutions.

Strategic Talent Roadmap

To future-proof our workforce and align with the next wave of IT services evolution, we are strengthening our approach to:

- **Next-Gen Talent Development** – Expanding our digital learning ecosystem with a strong focus on AI, ML, and next-gen technologies. The infusion of our NeoZeta™ and NeoCrux™ AI platforms is driving a fundamental shift, redefining our addressable market and accelerating AI adoption. This impact is reflected in our deal wins and pipeline growth, reinforcing the strategic importance of AI in our business expansion.
- **Agile Workforce Transformation** – Fostering a skill-based talent model that enables cross-functional collaboration, mobility, and expertise in different capabilities.
- **Innovation-Led Growth** – Leveraging platforms like Geek Cloud to encourage real-time problem-solving, rapid prototyping, and continuous experimentation, reinforcing a culture of innovation.
- **Leadership Capabilities** – We are investing in leadership capabilities by promoting growth mindsets, design thinking, and data-driven decision-making. These programs aim to develop future leaders who can navigate complex challenges with confidence.

Redefining Employee Experience in IT Services

Building on our Mphasis Hyperscalers framework, we continue to redefine workforce engagement by leveraging digital tools and AI-driven insights to personalize employee experiences. Instead of a one-size-fits-all approach, our HR programs are tailored to evolving career aspirations, skill development needs, and market dynamics, ensuring a highly engaged and productive workforce.

Commitment to Workforce Excellence and Inclusion

As a leader in People-First HR Excellence, Mphasis remains committed to championing diversity, equity, and inclusion (DEI) through impactful initiatives like the UN Women's HeForShe campaign and the LeadHER program. Since its inception, LeadHER has empowered numerous women to advance their careers, fostering a future where women can lead, succeed, and redefine possibilities. By emphasizing meritocracy, talent mobility, and workforce agility, Mphasis continues to create equitable opportunities and solidify its reputation as a top employer of choice.

Future Outlook: A Competitive and Resilient Workforce

Looking ahead to FY26, your Company is dedicated to empowering employees with decision-making autonomy, fostering a culture of agility and proactive innovation. By investing in cutting-edge talent strategies, advanced skill-building programs, and leadership development, we will continue to create and sustain competitive advantage for our talent.

COMMUNITY OUTREACH

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Mphasis F1 Foundation harnesses technology to make education accessible, provide digital upskilling for underserved communities, and prepare individuals for success in the evolving digital landscape. Inclusion has been a priority, with initiatives that empower Persons with Disabilities (PwDs) by providing access, affordable technology assistance and employment. We are committed to environmental sustainability by driving climate action through water conservation, carbon sequestration, oxygen production, and biodiversity protection. Through our 'Tech for Good' approach, we lead initiatives that use technology to drive social transformation and create meaningful change. The Mphasis F1 Foundation champions these efforts, working across sectors to build a more equitable and sustainable future for all.

BOARD'S REPORT

CSR at Mphasis is implemented through Mphasis F1 Foundation (an independent registered Trust). During the year, the Company spent ₹ 391.48 million on the CSR expenditure which is also the prescribed CSR spend under the law. The CSR annual report for the year ended 31 March 2025 is annexed and forms part of this Report.

The highlights of your Company's CSR activities are described in detail on the Company's website at: <https://www.mphasis.com/home/corporate/community-social-responsibility.html>.

PREVENTION OF SEXUAL HARASSMENT (POSH)

Your Company is committed to providing a safe and inclusive workplace free from sexual harassment. We believe in providing a mechanism for addressing complaints of sexual harassment by any employee, without the fear of reprisals in any form or manner. At Mphasis, we believe that a culture of respect, understanding, and inclusivity is vital for creating a workplace where every employee thrives.

Your Company has Sexual Harassment policies covering POSH India policy which is in adherence to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the "POSH Act") which is applicable for only women employees in India and a Global POSH Policy which applies to all other employees except women employees in India.

Our POSH Policy is in alignment with the laws of the land. We ensure that our policy complies with legal requirements while adhering to our internal processes.

During FY25, 28 sexual harassment complaints were filed, of which 27 complaints were disposed as at 31 March 2025. The remaining 1 complaint, as at the date of report, is under process for being resolved, which is within the prescribed time limits.

ESTABLISHMENT OF VIGIL MECHANISM

The Mphasis Code of Conduct requires directors, officers, and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As representatives of the Company, all stakeholders are expected to conduct themselves with utmost integrity and ensure they are always compliant with all applicable laws and regulations. The Company has a Whistleblower Policy to enable persons who observe unethical practice (whether or not a violation of law), or violation of the Code of Business Conduct, other than matters covered by the POSH Policy to approach the Whistleblower Custodian without revealing their identity if they choose to do so. This policy governs reporting and investigation of allegations of suspected improper activities that are breach of Code of Business Conduct and violation under code for prevention of Insider Trading. Further the complaint can be reported to the Ombudsperson (Chairman of the Audit Committee) where the Complainant feels that the complaint has not been addressed or actioned in a timely and appropriate manner. Also, if the complaint is against any member of the Whistleblower Committee or the Executive Council or the Whistleblower Custodian or any of the members of the Whistleblower Office, the same would be looked into by the Ombudsperson. This Policy covers all Mphasis group companies, and its affiliates, Directors, suppliers, clients, and contractors engaged in rendering the services.

DIRECTORS

APPOINTMENT

Pursuant to Section 149 of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on 28 March 2024, based on the recommendation of Nomination and Remuneration Committee approved the appointment of Mr. Sunil Gulati (DIN: 10473127) as an Independent Director of the Company for a 5 consecutive years effective 1 April 2024. As required under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company had sought approval of members for appointment of Mr. Sunil Gulati as an Independent Director by means of a special resolution passed through Postal Ballot. The shareholders approved his appointment with requisite majority and the results of the Postal Ballot was declared on 9 May 2024.

Pursuant to Section 149 of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on 16 August 2024, based on the recommendation of Nomination and Remuneration Committee approved the appointment of Mr. Girish Paranjpe (DIN: 02172725) as an Independent Director of the Company for a 5 consecutive years effective 1 October 2024. As required under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company had sought approval of members for appointment of Mr. Girish Paranjpe as an Independent Director by means of a special resolution passed through Postal Ballot. The shareholders approved his appointment with requisite majority and the results of the Postal Ballot was declared on 19 September 2024.

RE-APPOINTMENT

In accordance with Section 152 of the Companies Act, 2013, Mr. Amit Dalmia (DIN: 05313886), Mr. Amit Dixit (DIN: 01798942) and Mr. Marshall Jan Lux (DIN: 08178748) will retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

The Board recommends the re-appointment of the above directors for approval of the members. Necessary resolutions in connection with the above are being placed for approval of the members at the ensuing Annual General Meeting.

In the opinion of the Board, all the Directors, as well as the Directors proposed to be appointed/ re-appointed possess the requisite qualifications, experience, expertise and hold high standards of integrity and relevant proficiency.

BOARD'S REPORT

RETIREMENT

Mr. Davinder Singh Brar (DIN: 00068502) retired as an Independent Director of the Company effective from closing hours of 30 September 2024 due to completion of his tenure. The Board places on record its appreciation for the services rendered by Mr. Davinder Singh Brar during his tenure as an Independent Director of the Company.

KEY MANAGERIAL PERSONNEL

During the year, Mr. Manish Dugar resigned as the Chief Financial Officer of the Company effective 16 August 2024. The Board places on record its appreciation for the services rendered by Mr. Manish Dugar as Chief Financial Officer of the Company. Accordingly, the Board at its meeting held on 16 August 2024, appointed Mr. Aravind Viswanathan as the Chief Financial Officer of the Company effective 16 August 2024.

Later during the year, Mr. Subramanian Narayan, resigned as the Company Secretary and Compliance Officer of the Company effect 22 November 2024. The Board places on record its appreciation for the services rendered by Mr. Subramanian Narayan during his tenure with the Company. Accordingly, the Board at its meeting held over 22 and 23 January 2025 appointed Mr. Sivaramakrishnan Puranam as the Company Secretary (Interim) and Compliance Officer of the Company effective 23 January 2025.

BOARD EVALUATION

Pursuant to the provisions of Section 134 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the annual performance evaluation of the Board, Committees and individual directors are available in the section headed Corporate Governance, forming part of this Annual Report.

MEETING OF THE BOARD AND COMMITTEES

During the FY25 the Board met six times. The meeting details are available in the section headed Corporate Governance, forming part of this Annual Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed by the Companies Act, 2013. Further, the details of the Board level Committees are also available in the section headed Corporate Governance, forming part of this Annual Report.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent director that they meet the criteria of independence laid down in Section 149(6) and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

They have further confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties and that they are independent of the management.

In the opinion of the Board, all the Independent Directors have integrity, expertise, experience and proficiency.

STATUTORY AUDITORS

The members at the thirty second Annual General Meeting held on 20 July 2023, had approved appointment of B S R & Co. LLP, Chartered Accountants (*Firm Registration No. 101248W/W-100022*), as the Statutory Auditors to hold office for the second term of five consecutive years from the conclusion of the thirty second Annual General Meeting till the conclusion of the thirty seventh Annual General Meeting.

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their audit reports on the financial statements for the year ended 31 March 2025.

During the year, the Statutory Auditors have not reported to the Audit Committee any material fraud on the Company by its officers or employees under Section 143(12) of the Companies Act, 2013.

SECRETARIAL AUDITOR

The Board at its meeting held over 22 and 23 January 2025 appointed Mr. S P Nagarajan, Practicing Company Secretary (CP No. 4738), as the Secretarial Auditor for the financial year 31 March 2025. In addition, pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Msource (India) Private Limited, a material unlisted subsidiary of the Company undertook the secretarial audit for the financial year 31 March 2025.

As required under the Section 204 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the secretarial audit reports of the Company and its material subsidiary for FY25 are annexed and form part of this Annual Report. The audit reports do not contain any qualification, reservation or adverse remarks.

The Board of Directors, based on the recommendation of the Audit Committee, at its meeting held on 24 April 2025, approved the appointment of Mr. S P Nagarajan, Practicing Company Secretary (CP No. 4738), as the Secretarial Auditor of the Company for a period of five consecutive years commencing from 1 April 2025 to 31 March 2030, at a remuneration as may be mutually agreed between the Board and the Secretarial Auditor and recommended the same for approval of the shareholders.

BOARD'S REPORT

DIRECTORS' RESPONSIBILITY STATEMENT

Information as per Section 134(5) of the Companies Act, 2013, is annexed and forms part of this Annual Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

Applying technology for sustainability is not just a strategic choice but a core philosophy that guides your company's actions and decisions. The commitment to sustainable development is grounded in the company's belief that innovation and digital transformation are essential for addressing pressing environmental and social challenges. Your Company's notable performance in 2024 on leading ESG ratings, such as the S&P Global ESG Score of 74, A (Average) MSCI Rating in corporate governance, human capital development, and carbon emission planning and strong ESG Score of 63 on Crisil underscores the firm's commitment to purpose-driven growth. Also, by committing to the Science-Based Targets initiative (SBTi) for greenhouse gas (GHG) reduction, your company has aligned with a global movement and shown a strong commitment to driving meaningful climate action. As a responsible and forward-thinking corporate citizen, your company is embedding sustainability across operations and setting industry benchmarks by addressing real-world challenges with intent and impact.

In accordance with Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the BRSR forms part of this Annual Report and is available on the website of the Company at www.mphasis.com. Further, the Company has appointed TÜV SÜD South Asia Private Limited as the assurance provider.

The details of the Company's sustainability goals, progress and targeted initiatives are available on our website at <https://www.mphasis.com/content/dam/mphasis-com/global/en/investors/annual-reports/2025/business-responsibility-report-2025.pdf>.

SUBSIDIARIES

As on 31 March 2025, your Company has 42 subsidiaries in Australia, Belgium, Canada, France, Germany, India, Ireland, Mauritius, Netherlands, People's Republic of China, Philippines, Poland, Singapore, the United Kingdom, Kingdom of Saudi Arabia and the United States of America. In addition, the overseas subsidiaries have 18 branches in Argentina, Canada, Costa Rica, France, Hungary, India, Japan, Malaysia, Mexico, New Zealand, People's Republic of China, Sweden, Switzerland, Taiwan and the United States of America. During the year, PT. Mphasis Indonesia was liquidated effective from 9 October 2024.

In accordance with Section 129 (3) of the Companies Act, 2013 the consolidated financial statements are attached to this Annual Report. Further, a statement containing salient features of the financial statements of subsidiaries in the prescribed Form AOC-1 is annexed to this Annual Report. The statements provide the performance and financial position of each of the subsidiaries.

The audited financial statements of the subsidiaries are available for inspection of the members at the Registered Office of the Company and are also being uploaded on the website of the Company, www.mphasis.com. A translated copy of the financial statements has been provided where such financial statements are in the foreign language.

A copy of the above financial statements will be sent to the members upon request.

EMPLOYEES STOCK OPTION PLAN AND RESTRICTED STOCK UNIT PLAN

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

The Company currently has two stock option plans in operation, namely, Mphasis Employees Stock Option Plan - 1998 (ESOP 1998) (Version I & II), Mphasis Employees Stock Option Plan - 2016 (ESOP 2016) and Restricted Stock Units Plan 2021 (RSU 2021). During the year ended 31 March 2025, the Company has allotted 1,078,142 equity shares pursuant to the exercise of stock options and restricted stock units. Further, during the year ended 31 March 2025, the ESOP Compensation Committee granted 262,520 stock options and 118,880 stock units to the eligible employees.

The information to be disclosed as per SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021, for the year ended 31 March 2025 is annexed to the Board's report and is also uploaded on the website of the Company at www.mphasis.com. The Company has received a certificate from the Practicing Company Secretary, that the ESOP and RSU Plans have been implemented in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021 and the resolutions passed by the shareholders. The certificate would be placed at the Annual General Meeting for inspection by the members.

RELATED PARTY DISCLOSURES AND DIRECTORS' INTEREST

No director was interested in any contracts or arrangements existing during or at the end of the year that was significant in relation to the business of the Company. All the transactions entered into with Related Parties as defined under Section 2(76) of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year were in the ordinary course of business and are at an arm's length basis.

BOARD'S REPORT

The Company has a policy for dealing with Related Party Transactions which has been uploaded on the Company's website at www.mphasis.com. The particulars of the contract or arrangements with the Related Parties in form AOC-2 is annexed and forms part of this Annual Report.

The related party disclosures are being made to the Stock Exchanges on a half yearly basis as required under Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the director holds any shares or stock options in the Company as on 31 March 2025 except Mr. Nitin Rakesh, Chief Executive Officer and Managing Director, who holds 266,378 shares. None of the directors had any other interest in the share capital of the Company as at 31 March 2025.

SHARE CAPITAL AND TRANSFER TO RESERVES

The issued share capital of the Company as on 31 March 2025 stood at ₹1,900.84 million and Reserves and Surplus stood at ₹94,383.12 million (consolidated basis) and ₹61,089.02 million (standalone basis) respectively.

No amount is proposed to be transferred to reserves for the financial year ended 31 March 2025.

DETAILS OF DIRECTORS REMUNERATION

We affirm that the remuneration paid to the directors is as per the terms mentioned in the Director Remuneration Policy of the Company.

The policy of the Company on directors appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters as required under Section 178 of the Companies Act, 2013 is available on our website at www.mphasis.com.

PARTICULARS OF EMPLOYEES' REMUNERATION

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given in an annexure and forms part of this Annual Report.

However, in terms of Section 136(1) of the Companies Act, 2013, the report is being sent to the Members excluding the aforesaid annexure and shall be available for inspection of the members, till the date of the Annual General Meeting, at the registered office of the Company during working hours. Any Member interested in obtaining a copy of the annexure may write to the Company Secretary at the Registered Office of the Company.

In terms of proviso to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, particulars of the employees posted and working in a country outside India is not circulated to the members, but the same shall be filed with the Registrar of Companies while filing the Financial Statements and Board's Annual Report.

ANNUAL RETURN

The Annual Return of the Company as at 31 March 2025 in Form MGT-7 is uploaded on the website of the Company under financials and filings section at [Annual Return](#). The Annual Return will be filed with the Registrar of Companies, after the Annual General Meeting, within the prescribed time.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of Loans, Guarantees and Investments under Section 186 of the Companies Act, 2013 are disclosed in the financial statements of the Company.

DEPOSITS

Your Company has not accepted any deposits from the public and as such no principal or interest was outstanding as on the date of the Balance Sheet.

CHANGE IN NATURE OF BUSINESS

There has been no change in the nature of the business of the Company.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company have occurred between 31 March 2025 and the date of this report.

CORPORATE CODES & POLICIES

The details of the policies approved and adopted by the Board as required under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 and any other applicable laws are available in the section headed Corporate Governance, forming part of this Annual Report.

BOARD'S REPORT

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

A. CONSERVATION OF ENERGY

Your company is focused on reducing energy consumption and carbon emissions through effective energy management and sustainable initiatives like Light-emitting diode (LED) light fixtures, occupancy sensors at office premises, state of art energy efficient variable refrigerant volume AC units, Precision Air Conditioning (PAC) units and Variable Refrigerant Volume (VRF) units, which replaced the inefficient AC units. The AC distributions are zone wise which are controlled and monitored by Variable Air Volume (VAV) controls through the Building Management System (BMS). The new AC units are incorporated with environmentally friendly refrigerants.

Your company has been one of the early adopters of renewable energy and strives to move towards the same. In FY 25, 53.97% of the total energy consumption was sourced through renewable energy. The Company has installed solar panels with a capacity of 10KW at Mangalore facility to promote sustainability energy usage. Year on year target has been set to maintain the electricity intensity to 1.75 KWh per Sq feet area and carbon footprint by 1%. The energy and carbon footprints are monitored through inhouse developed Energy Management System application.

Mphasis facilities at World Technology Centre and GTP Tower at Bengaluru have been certified LEED (Leadership in Energy and Environmental Design) Platinum by UGBC (United States Green Building Counsel) along with the new facility Phoenix-Hyderabad. The Key facilities at – Bengaluru and Pune have been awarded with ★★★★★ (5 star) rating by Bureau of Energy Efficiency, Government of India (BEE). These ratings are Nationally accepted Industrial benchmark in India. Mphasis Facilities in Bengaluru, Pune and Chennai are certified for ISO 14001:2015 by British Standard Institute (BSI) showcasing the demonstration and competence towards the Environment Management System (EMS).

B. TECHNOLOGY ABSORPTION:

Particulars relating to technology absorption are not applicable.

C. FOREIGN EXCHANGE EARNINGS OR OUTGO:

(₹ million)

(a) Foreign Exchange earned in terms of actual inflows during the year	84,343
(b) Foreign Exchange outgo in terms of actual outflows during the year	36,209

OTHER DISCLOSURES

- During the year under review, there were no significant material orders passed by the Regulators or the Courts, Tribunals impacting the going concern status and the Company's operations in future.
- In terms of Section 118(10) of the Companies Act, 2013, the Company has complied with the applicable Secretarial Standards i.e. SS-1, SS-2 and SS- 4, relating to the 'Meetings of the Board, 'General Meetings' and 'Report of the Board of Directors', respectively, as specified by the Institute of Company Secretaries of India and approved by the Central Government.
- There are no proceedings initiated/pending against the Company under the Insolvency and Bankruptcy Code, 2016 which materially impact the business of the Company; and
- There were no instances where the Company required the valuation for one time settlement or while taking the loan from the Banks or Financial institutions.

ACKNOWLEDGMENT

Your directors acknowledge with thanks the continued support and valuable co-operation extended by the business constituents, investors, vendors, bankers and shareholders of the Company. The directors place on record their appreciation for the support from the Software Technology Parks of India, the Department of Communication and Information Technology, the Government of India, Government of Karnataka, Telangana, Maharashtra, Tamil Nadu, Reserve Bank of India, other governmental agencies, Trade Associations and NASSCOM. We also thank the government agencies of various other countries where your Company has operations.

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

For and on behalf of the Board of Directors

San Francisco, USA
24 April 2025

Jan Kathleen Hier
Chairperson

ANNEXURE TO THE BOARD'S REPORT

Annual Report on CSR Activities for the year ended 31 March 2025

1. Brief outline on CSR Policy of the Company

The brief of the CSR Policy is provided in the Board's Report and the policy is uploaded on the website of the Company at <https://www.mphasis.com/content/dam/mphasis-com/global/en/investors/governance/policies/mphasis-csr-policy.pdf>

2. Composition of the CSR Committee

The following are the members of the CSR Committee as at the date of the report:



- Present



- Absent

Sl. No.	Name of Director	Designation and Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Girish Paranjpe ^{refer Note}	Chairperson Independent Director		
2	Mr. Davinder Singh Brar ^{refer Note}	Member Independent Director		
3	Mr. Amit Dalmia	Member Non-Executive Director		
4	Mr. Nitin Rakesh	Member Executive Director		
5	Mr. Sunil Gulati	Member Independent Director		

Note: Mr. Davinder Singh Brar ceased to be the Chairperson and Member of the CSR Committee effective 30 September 2024 and Mr. Girish Paranjpe was appointed as a Member and Chairperson of the CSR Committee effective 1 October 2024.

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company

The composition of CSR Committee is uploaded on the website of the Company at:

<https://www.mphasis.com/home/corporate/community-social-responsibility/csr-team.html>

The CSR Policy is uploaded on the website of the Company at:

<https://www.mphasis.com/content/dam/mphasis-com/global/en/investors/governance/policies/corporate-social-responsibility-policy.pdf>

The CSR projects approved by the Board are uploaded on the website of the Company at:

<https://www.mphasis.com/home/corporate/community-social-responsibility.html>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not Applicable, as projects were not eligible for Impact Assessment

(₹ million)

5.	a)	Average net profit of the Company as per sub-section (5) of Section 135	19,559
	b)	Two percent of average net profit of the Company as per sub section (5) of section 135	391.18
	c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
	d)	Amount required to be set off for the financial year, if any	Nil
	e)	Total CSR obligation for the financial year (5b+5c-5d)	391.18
6.	(a)	Amount Spent on CSR Projects (both Ongoing Project and Other than Ongoing Project)	₹ 376.72
	(b)	Amount spent in Administrative Overheads	₹ 14.73
	(c)	Amount spent on Impact Assessment, if applicable	Nil
	(d)	Total amount spent for the Financial Year (a+b+c)	₹ 391.55
	(e)	CSR amount spent for the financial year	₹ 391.55

ANNEXURE TO THE BOARD'S REPORT

Total Amount spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
391.55 Million	Nil	Not Applicable	Not Applicable	Not Applicable	Not Applicable

(f) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in ₹ million)
(i)	Two percent of average net profit of the company as per sub-section (5) of Section 135	391.18
(ii)	Total amount spent for the Financial Year	391.55
(iii)	Excess amount spent for the financial year [(ii)-(i)] refer Note	0.37
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.37

Note : The Company has spent ₹ 0.09 million in excess of the CSR mandated spend in FY24, which is set off in the CSR expenses for FY25 as allowed under the Companies Act, 2013.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹ million)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹ million)	Amount spent in the Financial Year (in ₹ million)	Amount transferred to a fund specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹ million)	Date of Transfer		
1.	FY24	Nil	Nil	354.65	Nil	Not Applicable	Nil	Nil
2.	FY23	Nil	Nil	323.98	Nil	Not Applicable	Nil	Nil
3.	FY22	Nil	Nil	282.08	Nil	Not Applicable	Nil	Nil
	TOTAL			960.71				

Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:
Yes - X | No - ✓

If Yes, enter the number of Capital assets created/ acquired: **Not Applicable**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year : **Not Applicable**

ANNEXURE TO THE BOARD'S REPORT

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR Amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address

Not Applicable

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

8. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135:
Not Applicable

For and on behalf of the Board

24 April 2025

Girish Paranjpe
Chairman of CSR Committee
Mumbai, India

Nitin Rakesh
Chief Executive Officer and Managing Director
New York, USA

ANNEXURE TO THE BOARD'S REPORT

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

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

To,
The Members,
MPHASIS LIMITED
Bagmane World Technology Center,
Marathahalli Outer Ring Road,
Doddanakundi Village, Mahadevapura,
Bangalore-560048

CIN of Company : L30007KA1992PLC025294

Authorised Capital : ₹ 245,00,00,000/-

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MPHASIS LIMITED** ("the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, Registers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2025 ('year under review') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, registers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2025 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder with regard to maintenance of minimum public shareholding and compliance under clause 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder with regard to dematerialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company in compliance with amended clause 76 of the SEBI (Depositories and Participants) Regulations, 2018 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable to Overseas Direct Investment. During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc and the company is submitting the necessary forms as and when required.
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations; During the audit period under review the company has made a disclosure under Regulation 29(1), Regulation 31(1) and 31(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 including the provisions with regard to disclosures and maintenance of records required under the said Regulations.
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 were not applicable as there was no reportable event during the financial year under review;
 - e. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. Not applicable as there was no reportable event during the financial year under review.
 - f. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021. Not applicable as there was no reportable event during the financial year under review.

ANNEXURE TO THE BOARD'S REPORT

- g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. Not applicable as there was no reportable event during the financial year under review.
- h. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993. Not applicable as the company is not registered as Registrar to Issue and Share transfer Agent during the financial year under review.
- i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021. Not applicable as the company has not delisted/proposed to delist its equity shares from any stock exchange during the financial year under review.
- j. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. Not applicable as there was no reportable event during the financial year under review.
- vi. The other laws to the extent applicable:
 - a. The Information Technology Act, 2000 and the rules made thereunder
 - b. The Special Economic Zones Act, 2005 and the rules made thereunder
 - c. The Software Technology Parks of India rules and regulations made thereunder
 - e. The Registration Act, 1908
 - e. The Indian Stamp Act, 1899
 - f. The Limitation Act, 1963
 - g. The Indian Contract Act, 1872
 - h. The Negotiable Instrument Act, 1881
 - i. The Sale of Goods Act, 1930
 - j. The Trade Marks Act, 1999
 - k. The Patents Act, 1970
 - l. The Copyright Act, 1957
 - m. The Designs Act, 2000
 - n. Income Tax Act, 1961
 - o. The Central Goods and Services Tax Act, 2017
 - p. The Environment Protection Act, 1986
 - q. The Trade Unions Act, 1926
 - r. The Weekly Holidays Act, 1942
 - s. The Telecom Regulatory Authority of India Act, 1997
 - t. The Insurance Act, 1938
 - u. General Clauses, 1897
 - v. Foreign Trade (Development And Regulation) Act, 1992
 - w. Employees' Provident Funds And Miscellaneous Provisions Act, 1952
 - x. Employees' State Insurance Act, 1948
 - y. Employees' State Insurance (Central) Rules, 1950
 - z. Labour Laws including ESI Act, Employee's PF & Miscellaneous Provision Act, Payment of Bonus Act, Payment of Gratuity Act, Contract Labour Act, Employees Compensation Act, Equal Remuneration Act, Maternity Benefit Act, 1961
 - aa. Bureau of Indian Standards Act, 1986
 - bb. E-waste (Management and Handling) Rules, 2011
 - cc. The State Acts, rules, guidelines and regulations to the extent applicable to the Company based on the location of its offices across India.
 - dd. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ANNEXURE TO THE BOARD'S REPORT

I have also examined compliance with the applicable clauses of the following:

- a. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) and Section 118 (10) of the Companies Act, 2013.

In my opinion and to the best of my information and according to the explanation given to me, I report that the Company has complied with all applicable Secretarial Standards issued by ICSI with respect to General and Board meetings in accordance with Section 173 (3) of the Act.

- b. The Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and disclosure Requirements) Regulations, 2015.

My examination of compliance by the Company with the applicable financial laws, including direct and indirect taxation laws are limited to extent of the compliance reporting made by the management to the Board of Directors of the Company. Further, for ascertaining compliance with applicable financial laws, I am of the opinion that the Company has complied with the following laws applicable specifically to the Company

2. Based on my examination and verification of the registers, records and documents produced to me and according to the information and explanations given to me by the Company: -

I report that during the period under review, the Company has complied with the applicable provisions of the Act, rules, regulations, guidelines, standards etc. mentioned above.

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

- a. maintenance of various statutory registers and documents and making necessary entries therein;
- b. closure of the Register of Members;
- c. forms, returns, documents and resolutions required to be filed with the Registrar of Companies/Ministry of Corporate Affairs and the Central Government;
- d. service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- e. notice of Board meetings and Committee meetings of Directors;
- f. the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- g. the 33rd Annual General Meeting held on 25th July 2024;
- h. minutes of proceedings of General Meeting and of the Board and its Committee meetings;
- i. approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required; During the year under review the company has sought the approval of members in General meeting (Postal Ballot) for appointment of Independent Directors namely Sunil Gulati (DIN: 10473127) and Girish S Paranjpe (DIN: 02172725) and complied the provisions of Companies Act and disclosure norms.
- j. constitution of the Board of Directors /Committee(s) of Directors, appointment, retirement, regularization and re-appointment of Directors including the Executive Director/Whole-time Director, Key Managerial Personnel wherever applicable;
- k. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors including Independent Directors and a Woman Director. The changes in the composition of the Board of Directors which took place during the period under review were carried out in compliance with the provisions of the Act;
- l. payment of remuneration to Executive Director/ Whole-time Director and payment of commission to Non-Executive Directors;
- m. Auditors and the remuneration payable to them;
- n. transfer and transmission of the Company's shares if any, and allotment of shares under ESOP scheme, Issue and delivery of share certificate(s) and duplicate share certificates wherever applicable;
- o. declaration and payment of dividends;
- p. transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;

ANNEXURE TO THE BOARD'S REPORT

- q. investment of the Company's funds including inter-corporate loans, loans to others and investments wherever applicable;
- r. the Company has not availed any Secured loan from Bank/Financial Institutions during the period under review. However, the Company has pledged the deposit against Guarantee facility. The Company has filed necessary e-Form for creation of charge vide Charge ID:100993576 created on 30/09/2024.
- s. form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act;
- t. Board's report;
- u. contracts, common seal, registered office and publication of name of the Company; and
- v. Generally, all other applicable provisions of the Act and the rules made under.

I further report that compliance by the Company of applicable financial laws such as direct and indirect taxation laws and maintenance of financial records and books of accounts are reviewed in a limited manner in this audit since the same have been subject to review under the statutory audit and by other designated professionals.

3. I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Independent Directors and Independent Directors. The changes in the composition of the Board of Directors during the year under review are given below:

- 1) Narayanan Kumar (DIN: 0007848) resigned as Director with effect from 31st March 2024.
- 2) Sunil Kumar Gulati (DIN: 10473127) appointed as Additional Director (Independent) with effect from 01st April 2024.
- 3) Sunil Kumar Gulati (DIN: 10473127) designated as Independent Director with effect from 08th May 2024 by the members of the Company by passing postal ballot resolution.
- 4) Manish Dugar resigned as CFO of the Company with effect from 16th August 2024.
- 5) Viswanathan Sundaresan Aravind appointed as CFO of the Company with effect from 16th August 2024.
- 6) Davinder Singh Brar (DIN: 00068502) retired as an Independent Director of the Company with effect from 30th September 2024 on completion of his tenure as approved by the members of the Company.
- 7) Girish Srikrishna Paranjpe (DIN: 02172725) appointed as Independent Director with effect from 01st October 2024.
- 8) Subramanian Narayan resigned as Company Secretary with effect from 22nd November 2024.
- 9) Puranam Sivaramakrishnan appointed as Company Secretary with effect from 23rd January 2025.

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

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws including general rules like labour laws, Environmental laws, regulations and guidelines.

All decisions at Board Meetings and Committee Meetings are carried out by requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board as the case may be.

4. I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

5. I further report that:

- a. the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other Companies and interests in other entities;
- b. the Directors have complied with the disclosure requirements in respect of their eligibility of appointment, being independent and compliance with the Code of Business Conduct and Ethics for Directors and Management Personnel;

ANNEXURE TO THE BOARD'S REPORT

- c. the Company has obtained all necessary approvals under the various provisions of the aforesaid Acts and rules made thereunder, to the extent applicable; and
 - d. No prosecution initiated and no penalties were imposed by any of the statutory authorities under the Companies Act, 2013, SEBI Act, SCRA, Depositories Act and Rules, Regulations and Guidelines framed under these Acts against the Company, its Directors and officers of the Company.
6. I further report that during the audit period there were no specific events having a major bearing on the Company's affairs in pursuance of the above referred applicable laws, rules, regulations, standards and guidelines.

This report is to be read with my letter of even date which is annexed as 'Annexure-1 and forms an integral part of this report.

S.P.NAGARAJAN

ACS Number : 10028

CP Number : 4738

UDIN : A010028G000190384

Peer reviewed Unit - bearing Unique Identification Number: I2002KR300400

Place : Bengaluru

Date : 24 April 2025

As per the guidance issued by the Institute of Company Secretaries of India (ICSI) for carrying out professional assignments, the Secretarial Audit Report in term of section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 was conducted by using appropriate Information Technology tools by virtual data sharing by way of the Company's cloud-based server - 'Mike Portal' to access and examine relevant documents and verification of records for completion of the audit.

ANNEXURE TO THE BOARD'S REPORT

Annexure -1

To,
The Members,
MPHASIS LIMITED
Bagmane World Technology Center,
Marathahalli Outer Ring Road,
Doddanakundi Village, Mahadevapura,
Bangalore-560048

CIN of Company : L30007KA1992PLC025294

Authorised Capital : ₹ 245,00,00,000/-

My Secretarial Audit Report for Financial Year ended on 31 March 2025 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Account of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of event etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place : Bengaluru
Date : 24 April 2025

S.P. NAGARAJAN
ACS:10028
CP: 4738

ANNEXURE TO THE BOARD'S REPORT

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

[Pursuant to Circular CIR/CFD/CMD1/27/2019 dated February 08, 2019 in accordance with section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 for the purpose of compliance with Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,

MSOURCE (INDIA) PRIVATE LIMITED

Bagmane World Technology Center, Marathahalli Outer Ring Road,
Doddanakundi Village, Mahadevapura,
Bengaluru-560048

CIN of Company : U72200KA2000PTC038931

Authorised Capital : ₹ 12,00,00,000/-

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MSOURCE (INDIA) PRIVATE LIMITED ("the Company")**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, Registers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2025 ('year under review') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, registers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2025 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable to Overseas Direct Investment;
 - iii. The other laws to the extent applicable:
 - a. The Information Technology Act, 2000 and the rules made thereunder
 - b. The Special Economic Zones Act, 2005 and the rules made thereunder
 - c. The Software Technology Parks of India rules and regulations made thereunder
 - d. The Registration Act, 1908
 - e. The Indian Stamp Act, 1899
 - f. The Limitation Act, 1963
 - g. The Indian Contract Act, 1872
 - h. The Negotiable Instrument Act, 1881
 - i. The Sale of Goods Act, 1930
 - j. The Information Technology Act, 2000
 - k. The Trade Marks Act, 1999
 - l. The Patents Act, 1970
 - m. The Copyright Act, 1957
 - n. The Designs Act, 2000
 - o. Income Tax Act, 1961
 - p. The Central Goods and Services Tax Act, 2017
 - q. The Environment Protection Act, 1986

ANNEXURE TO THE BOARD'S REPORT

- r. The Trade Unions Act, 1926
- s. The Weekly Holidays Act, 1942
- t. The Telecom Regulatory Authority of India Act, 1997
- u. The Insurance Act, 1938
- v. General Clauses, 1897
- w. Foreign Trade (Development And Regulation) Act, 1992
- x. Employees' Provident Funds And Miscellaneous Provisions Act, 1952
- y. Employees' State Insurance Act, 1948
- z. Employees' State Insurance (Central) Rules, 1950
- aa. Labour Laws including ESI Act, Employee's PF & Miscellaneous Provision Act, Payment of Bonus Act, Payment of Gratuity Act, Contract Labour Act, Employees Compensation Act, Equal Remuneration Act, Maternity Benefit Act, 1961
- bb. Bureau of Indian Standards Act, 1986
- cc. E-waste (Management and Handling) Rules, 2011
- dd. The State Acts, rules, guidelines and regulations to the extent applicable to the Company based on the location of its offices across India.
- ee. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) and Section 118(10) of the Companies Act, 2013.

In my opinion and to the best of my information and according to the explanation given to me, I report that the Company has complied with all applicable Secretarial Standards issued by ICSI with respect to General and Board meetings in accordance with Section 173(3) of the Act.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

- 2. Based on my examination and verification of the registers, records and documents produced to me and according to the information and explanations given to me by the Company: -

I report that during the period under review, the Company has complied with the applicable provisions of the Act, rules, regulations, guidelines, standards etc. mentioned above.

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

- a) maintenance of various statutory registers and documents and making necessary entries therein;
- b) forms, returns, documents and resolutions required to be filed with the Registrar of Companies/Ministry of Corporate Affairs and the Central Government;
- c) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- d) notice of Board meetings of Directors;
- e) the meetings of Directors including passing of resolutions by circulation, if any;
- f) the 24th Annual General Meeting held on 24th September 2024;
- g) minutes of proceedings of General Meeting and of the Board meetings;
- h) minutes of CSR committee meetings and proceedings
- i) approvals of the Members, the Board of Directors and the government authorities, wherever required;
- j) constitution of the Board of Directors /appointment, retirement, regularization and re-appointment of Directors including the Executive Director/Whole-time Director, Key Managerial Personnel wherever applicable;
- k) payment of remuneration/commission to Directors, wherever applicable
- l) Auditors and the remuneration payable to them;

ANNEXURE TO THE BOARD'S REPORT

- m) transfer and transmission of the Company's shares if any, issue and allotment of shares, buyback of shares, issue and delivery of share certificate(s) and duplicate share certificates wherever applicable;
- n) investment of the Company's funds including inter-corporate loans, loans to others and investments wherever applicable;
- o) the Company has availed no secured loans during the year under review and consequently there were no requirements with regard to creation, modification or satisfaction of charges;
- p) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act;
- q) Board's report;
- r) contracts, common seal, registered office and publication of name of the Company; and
- s) generally, all other applicable provisions of the Act and the rules made under.

I further report that my examination of compliance by the Company with applicable financial laws such as direct and indirect taxation laws and maintenance of financial records and books of accounts, Accounting Standards and disclosures are reviewed in a limited manner to the extent of the compliance reporting made by the Internal Auditors and Statutory Auditors and duly approved by the Board of Directors of the Company.

3. I further report that

The Board of Directors of the Company is duly constituted. During the year under review Mr. Manish Dugar's resignation effective from 16th August 2024 as Director has been noted at Board Meeting held on 24th September 2024 and the resignation of Mr. Muhammed Rishad Mustafa as Company Secretary with effect from 21st June 2024 was noted in Board Meeting held on 12th June 2024. The Company has complied with the requisite provisions of Companies Act, 2013 and rules made thereunder with regard to changes in Directors and Key managerial personnel.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance in accordance with Section 173(3) of the Act and in case of Board Meetings convened at shorter notice, the Company has complied with the provisions of the Act and rules made thereunder read with Secretarial Standard-1 (SS-1) on "Meetings of the Board of Directors. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings were carried out by requisite majority as recorded in the minutes of the meetings of the Board of Directors as the case may be.

4. I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

5. I further report that:

- (a) the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities;
- (b) the Company has obtained all necessary approvals under the various provisions of the aforesaid Acts and rules made thereunder, to the extent applicable; and
- (c) no prosecution was initiated by any statutory authorities and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and officers.

S.P.NAGARAJAN

ACS Number : 10028

CP Number : 4738

UDIN : A010028G000191572

Peer reviewed Unit - bearing Unique Identification Number: I2002KR300400

Place : Bengaluru

Date : 24 April 2025

Note: This report is to be read with my letter of even date which is annexed as 'Annexure -1' and forms an integral part of this report.

As per the guidance issued by the Institute of Company Secretaries of India (ICSI) for carrying out professional assignments, the Secretarial Audit Report in term of section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel Rules, 2014) was conducted by using appropriate Information Technology tools by virtual data sharing by way of the Company's cloud-based server - 'Mike Portal' to access and examine relevant documents and physical verification of records for completion of the audit.

ANNEXURE TO THE BOARD'S REPORT

Annexure -1

To,
The Members,
MSOURCE (INDIA) PRIVATE LIMITED
Bagmane World Technology Center, Marathahalli Outer Ring Road,
Doddanakundi Village, Mahadevapura,
Bangalore-560048

CIN of Company : U72200KA2000PTC038931
Authorised Capital : ₹ 12,00,00,000/-

My Secretarial Audit Report for Financial Year ended on 31 March 2025 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Account of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of event etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place : Bengaluru
Date : 24 April 2025

S.P. NAGARAJAN
ACS:10028
CP: 4738

ANNEXURE TO THE BOARD'S REPORT

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with Section 134(5) of the Companies Act, 2013, the directors confirm, and state as follows for the financial year ended 31 March 2025:

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

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

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

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

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

For and on behalf of the Board of Directors

San Francisco, USA
24 April 2025

Jan Kathleen Hier
Chairperson

DECLARATION UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING COMPLIANCE WITH CODE OF CONDUCT

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby confirmed that for the year ended 31 March 2025, the directors of Mphasis Limited have affirmed compliance with the Code of Conduct for Board Members as applicable to them and members of the senior management have also affirmed compliance with the Employee Code of Conduct as applicable to them.

New York, USA
24 April 2025

Nitin Rakesh
Chief Executive Officer and Managing Director

ANNEXURE TO THE BOARD'S REPORT

Form AOC-1

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

Sl. No	Name of the subsidiary	Reporting Period	Reporting Currency	Exchange Rate	Share Capital			Reserves & Surplus	Total assets	Total liabilities	Turnover	Profit before taxation (Loss)	Provision for taxation (Credit)	Profit after taxation (Loss)	Proposed Dividend	% of share holding
					Equity	Preference	Total									
1	Mphasis Corporation	01-04-2024 to 31-03-2025	USD	85.475	-	-	-	10,462.02	46,786.56	36,324.54	58,717.76	106.21	(208.13)	314.34	-	100
2	Mphasis Deutschland GmbH	01-04-2024 to 31-03-2025	EUR	92.090	2.23	-	2.23	(1,023.02)	33.04	1,053.83	57.76	(82.36)	267.61	(349.97)	-	91
3	Mphasis Australia Pty. Limited	01-04-2024 to 31-03-2025	AUD	53.810	0.05	-	0.05	80.14	890.40	810.20	1,349.91	7.67	12.57	(4.89)	-	100
4	Mphasis (Shanghai) Software & Services Company Limited	01-01-2024 to 31-12-2024	CNY	11.753	238.76	-	238.76	(185.82)	295.80	242.87	490.87	(33.49)	(2.33)	(31.17)	-	100
5	Mphasis Consulting Limited	01-04-2024 to 31-03-2025	GBP	110.703	1.34	-	1.34	258.78	4,287.50	4,027.38	383.66	(37.57)	(3.54)	(34.03)	-	100
6	Mphasis Belgium BV	01-04-2024 to 31-03-2025	EUR	92.090	0.43	-	0.43	1,429.03	1,984.43	554.97	1,903.71	355.30	47.67	307.63	-	100
7	Mphasis Europe BV	01-04-2024 to 31-03-2025	EUR	92.090	641.55	-	641.55	18,003.27	24,944.67	6,299.85	730.32	175.64	40.44	135.20	-	100
8	Mphasis Pte Limited	01-04-2024 to 31-03-2025	SGD	63.710	152.86	-	152.86	812.22	1,058.38	93.30	619.11	108.32	20.25	88.07	-	100
9	Mphasis UK Limited	01-04-2024 to 31-03-2025	GBP	110.703	0.24	-	0.24	12,803.50	27,639.67	14,835.93	8,755.56	1,561.60	72.86	1,488.74	-	100
10	Mphasis Software & Services (India) Private Limited	01-04-2024 to 31-03-2025	INR	1.000	100.00	-	100.00	2,115.53	2,250.36	34.83	159.64	158.58	26.51	132.08	-	100
11	Msource Mauritius Inc	01-04-2024 to 31-03-2025	USD	85.475	600.89	-	600.89	29.24	630.97	0.83	-	(1.23)	0.00	(1.23)	-	100
12	Msource (India) Private Limited	01-04-2024 to 31-03-2025	INR	1.000	66.85	-	66.85	11,564.50	12,286.26	654.90	1,733.69	753.49	172.87	580.62	-	100
13	Mphasis Ireland Limited	01-04-2024 to 31-03-2025	EUR	92.090	0.56	-	0.56	73.76	77.91	3.59	28.07	(4.38)	(0.41)	(3.96)	-	100
14	Mphasis Lanka (Private) Limited	01-04-2024 to 31-03-2025	LKR	0.289	55.49	-	55.49	(55.49)	(0.00)	0.00	-	-	-	-	-	100
15	Mphasis Infrastructure Services Inc	01-04-2024 to 31-03-2025	USD	85.475	0.05	-	0.05	(1,894.59)	54.39	1,948.94	0.21	(32.67)	-	(32.67)	-	100
16	Mphasis Poland s.p.z.o.o.	01-04-2024 to 31-03-2025	PLN	22.087	1.99	-	1.99	(27.88)	380.46	406.35	651.21	2.88	5.93	(3.05)	-	100
17	Mphasis Wyde Inc.	01-04-2024 to 31-03-2025	USD	85.475	-	-	-	7,951.83	16,660.02	8,708.20	132.47	130.50	579.96	(449.46)	-	100
18	Wyde Corporation Inc.	01-04-2024 to 31-03-2025	USD	85.475	3.11	-	3.11	(1,334.45)	821.97	2,153.32	1,494.63	(96.13)	(17.77)	(78.36)	-	100
19	Mphasis Wyde SASU	01-04-2024 to 31-03-2025	EUR	92.090	2.53	-	2.53	(1,164.44)	960.44	2,122.35	774.97	(106.20)	-	(106.20)	-	100
20	Wyde Solutions Canada Inc.	01-04-2024 to 31-03-2025	CAD	59.668	0.05	-	0.05	(61.12)	26.09	87.17	22.12	13.29	5.51	7.77	-	100
21	Mphasis Philippines Inc	01-04-2024 to 31-03-2025	PHP	1.490	11.34	-	11.34	(8.89)	4.80	2.35	(0.01)	1.25	0.01	1.25	-	100
22	Digital Risk LLC.	01-04-2024 to 31-03-2025	USD	85.475	942.62	-	942.62	(866.25)	5,042.52	4,966.15	4,652.48	102.37	-	102.37	-	100
23	Digital Risk Mortgage Services, LLC	01-04-2024 to 31-03-2025	USD	85.475	982.86	-	982.86	9,583.51	13,059.09	2,492.72	6,056.82	1,024.15	37.36	986.79	-	100
24	Investor Services, LLC	01-04-2024 to 31-03-2025	USD	85.475	-	-	-	839.97	839.97	(0.00)	0.08	(0.03)	-	(0.03)	-	100
25	Digital Risk Valuation Services, LLC	01-04-2024 to 31-03-2025	USD	85.475	-	-	-	(1,447.57)	10.41	1,457.98	0.38	0.66	-	0.66	-	100
26	Stelligent Systems, LLC	01-04-2024 to 31-03-2025	USD	85.475	-	-	-	(268.25)	163.75	431.99	499.02	(114.92)	3.67	(118.59)	-	100
27	Datalytx Limited	01-04-2024 to 31-03-2025	GBP	110.703	14.37	-	14.37	(43.11)	315.70	344.44	408.28	1.07	(0.45)	1.52	-	100

(₹ millions)

ANNEXURE TO THE BOARD'S REPORT

Sl. No	Name of the subsidiary	Reporting Period	Reporting Currency	Exchange Rate	Share Capital			Reserves & Surplus	Total assets	Total liabilities	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share holding
					Equity	Preference	Total					Profit / (Loss)	Expense / (Credit)	Profit / (Loss)		
28	Datalyvx MSS Limited	01-04-2024 to 31-03-2025	GBP	110.703	0.83	-	0.83	18.53	42.85	23.49	0.01	(1.71)	(1.71)	(1.71)	-	100
29	Dynamyx Limited	01-04-2024 to 31-03-2025	GBP	110.703	10.72	-	10.72	(16.11)	25.99	31.38	0.93	(2.42)	(1.83)	(0.60)	-	100
30	Blink Interactive, Inc	01-04-2024 to 31-03-2025	USD	85.475	183.23	-	183.23	837.63	1,950.88	930.02	3,636.30	197.54	36.72	160.82	-	100
31	Mphasis Solutions Services Corporation	01-04-2024 to 31-03-2025	USD	85.475	3.79	-	3.79	(0.90)	3.34	0.45	-	(0.64)	-	(0.64)	-	100
32	Mrald Limited	01-04-2024 to 31-03-2025	GBP	110.703	0.01	-	0.01	(61.51)	1.47	62.97	0.00	(21.00)	-	(21.00)	-	51
33	Mrald Services Limited	01-04-2024 to 31-03-2025	GBP	110.703	0.00	-	0.00	(369.02)	1,786.74	2,155.75	844.06	(169.63)	(52.11)	(117.52)	-	100
34	Mphasis Digi Information Technology Services (Shanghai) Limited	01-01-2024 to 31-12-2024	CNY	11.753	23.00	-	23.00	(22.29)	18.57	17.86	2.44	(6.74)	-	(6.74)	-	100
35	eBeCs Limited	01-04-2024 to 31-03-2025	GBP	110.703	0.98	-	0.98	524.80	1,161.36	635.58	1,562.93	297.61	54.43	243.19	-	100
36	Sonnick CRM Solutions LLP	01-04-2024 to 31-03-2025	INR	1.000	0.01	-	0.01	93.40	125.76	32.34	248.53	32.34	22.87	9.47	-	100
37	Sonnick Partners LLC	01-04-2024 to 31-03-2025	USD	85.475	11.323.13	-	11,323.13	(10,342.26)	1,843.34	862.47	3,207.96	471.24	(218.19)	689.43	-	100
38	Silverline Canada Holdings, Inc.	01-04-2024 to 31-03-2025	CAD	59.668	420.36	-	420.36	(601.42)	110.99	292.04	73.67	(78.63)	(86.09)	7.47	-	100
39	eBeCs Business Solutions (Ireland) Limited	01-04-2024 to 31-03-2025	EUR	92.090	0.01	-	0.01	45.10	99.04	53.94	50.58	1.08	(0.51)	1.58	-	100
40	Mrald Services Private Limited	01-04-2024 to 31-03-2025	INR	1.000	0.10	-	0.10	110.05	218.80	108.65	266.43	125.31	31.54	93.77	-	100
41	Mphasis Arabia Limited	01-04-2024 to 31-03-2025	SAR	22.788	2.24	-	2.24	(5.21)	23.02	26.00	62.86	(5.16)	-	(5.16)	-	100
42	Shift US Holdings LLC	01-04-2024 to 31-03-2025	USD	85.475	-	-	-	-	-	-	-	-	-	-	-	100
	Total				15,788.57	-	15,788.57	57,837.20	1,68,917.70	95,291.92	99,579.43	4,833.20	847.41	3,985.79	-	

Notes:

- During the financial year 2024-25, PT. Mphasis Indonesia was liquidated. Therefore, the particulars of this entity are not included in the above list.
- The reporting period of the Subsidiaries is 31 March of every Year except for Mphasis (Shanghai) Software & Services Company Limited, Mphasis Digi Information Technology Services (Shanghai)
- Indian rupee equivalents of the figures in foreign currencies of the accounts of the subsidiary entities are based on the exchange rates as of the respective reporting period end dates.

For and on behalf of the Board of Directors

Nitin Rakesh

Chief Executive Officer and
Managing Director
New York, USA

Maureen Anne Erasmus

Director
London, UK

Aravind Viswanathan

Chief Financial Officer
New York, USA

Sivaramakrishnan P

SVP and Company Secretary
Bengaluru, India

24 April 2025

ANNEXURE TO THE BOARD'S REPORT

DETAILS OF DISCLOSURE UNDER SEBI (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

Details of Stock Options / Restricted Stock Units granted to employees of Mphasis Limited and its subsidiaries:

Particulars	ESOP 1998		ESOP 2016	RSU 2021
	Version I	Version II		
Date of Shareholders' Approval	31 July 1998		4 Nov 2016	29 Sep 2021
Total Number of Stock Options approved under the Plan	465,000 <small>refer Note 1</small>		8,400,000	3,000,000
Vesting Requirements	Time Based Vesting			
Maximum term of Stock Options (refers to Exercise Period)	Until exercise	10 years	5 years	5 years
Source of shares (Primary, Secondary or Combination) (Combination involves primary market issuance as well as transfer of shares acquired from secondary market to the extent such shares have been acquired)	Primary			
Pricing formula	Refer table below <small>refer Note 4</small>			
Total number of Stock Options outstanding at the beginning of the year (i.e. 1 April 2024)	46,504	-	2,814,235	803,179
Number of Stock Options granted during the year	-	-	262,520	118,880
Number of Stock Options lapsed and forfeited during the year	-	-	175,188	89,161
No. of Stock Options vested during the year	-	-	252,404	178,376
No. of Stock Options exercised during the year	-	-	905,617	172,525
Total number of shares arising as a result of exercise of Stock Options	-	-	905,617	172,525
Money realized by exercise of options during the year (In ₹)	-	-	573,749,690	1,725,250
Number of Stock Options outstanding as at the end of the year (i.e. 31 March 2025)	46,504	-	1,996,636	661,066
Total number of options exercisable at the end of the year	46,504	-	1,273,470	21,608
Loan repaid by the Trust during the year from the exercise price received	NA	NA	451,276,432.12	1,725,250
Employee Wise details of Options granted to				
a) Senior Managerial Personnel <small>refer Note 2</small>	Nil	Nil	85,000	65,000
b) (Other Employees, who were granted, during any one year, options amounting to 5% or more of options granted during the year <small>refer Note 5</small>)	Nil	Nil	116,000	26,000
c) Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (exceeding outstanding warrants and conversion) of the company at the time of grant	Nil	Nil	Nil	Nil
Valuation of Stock Options and their related impact on Profits and EPS <small>refer Note 3</small>	The Company computes Employee Compensation Cost using the fair value method of accounting except for Employee Stock Option 1998 Plan (ESOP 1998 Plan) wherein the Employee Compensation Cost is computed based on intrinsic value method. The differential value is Nil for the year ended 31 March 2021 if the fair value of the ESOPs were considered for ESOP 1998 Plan instead of the intrinsic value. Consequently, there is no impact on the Profits and Earnings Per Share (EPS) of the Company,			
Weighted Average exercise price and weighted average fair value of options during the year whose exercise price either equals or exceeds or is less than the market price (₹) during the year	Refer to the additional disclosures given below <small>refer Note 6</small>			

Notes:

- Refers to Options as approved by shareholders and accordingly excludes the adjustment for Bonus Issues.
- The term senior managerial personnel include officers and personnel considered as senior management as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The diluted EPS of Mphasis Group for the financial year ended 31 March 2025, pursuant to issue of shares on exercise of options, is ₹ 89.36 per share.

ANNEXURE TO THE BOARD'S REPORT

4. Pricing Formulae for the stock option/RSU schemes:

Schemes	Pricing Formulae /Exercise Price
<i>ESOP 1998 (version I)</i>	No options have been granted under this Scheme during the financial year 2024-25. Earlier, under this plan the options were granted at a strike price of ₹ 275 per share. The price of ₹ 275 was arrived at based on SEBI Guidelines on Pricing for Preferential Allotment.
<i>ESOP 1998 (version II)</i>	No options have been granted under this Scheme during the financial year 2024-25. Earlier, for employees in service as on 10 January 2000, the market price prevalent on the 15th day from the Board Meeting held on 10 January 2000 i.e. ₹ 795 per share and for all the recruits thereafter, market price prevalent on the date of joining, unless the ESOP Committee decides otherwise, was taken as the grant price. For options granted from September 2003, the grant price was calculated as per sub clause 10 of clause 2.1 of the amendment to SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, dated 30 June 2003, which was the average of the two weeks high and low price of share preceding the date of grant of option on the stock exchange on which the shares of the Company are listed.
<i>ESOP 2016</i>	During the year, 12,500 stock options at an exercise price of ₹ 2,300 per option, 77,520 stock options at an exercise price of ₹ 2,400 per option, 25,000 stock options at an exercise price of ₹ 2,500, 20,000 stock options at an exercise price of ₹ 2,722, 82,500 stock options at an exercise price of ₹ 2,800, 25,000 stock options at an exercise price of ₹ 2,900 and 20,000 stock options at an exercise price of ₹ 2,220 have been granted under this plan. Each option entitles the holder thereof with an option to apply for and be issued one equity share of the Company. As per the ESOP 2016 Plan, the stock options are granted at the Market Price* subject to a discount up to twenty per cent (20%) as may be determined by the Compensation Committee at the time of Grant.
<i>RSU 2021</i>	During the year, 118,880 restricted stock units have been granted at an exercise price of ₹ 10 per option under this plan. Each option entitles the holder thereof with an option to apply for and be issued one equity share of the Company.

**The present Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021 defines 'Market Price' as the "latest available closing price on a recognized stock exchange on which the shares of the company are listed on the date immediately prior to the relevant date".*

5. The Details of options granted to Senior Managerial Personnel as on 31 March 2025 and other employees who received grant of options equivalent to 5% or more of the total options granted during the financial year ended 31 March 2025 is as follows:

Name	Designation	Total Options Granted under the ESOP 2016 and RSU 2021 Plan
Mr. Aravind Viswanathan	Chief Financial Officer	The aggregate of stock options and RSUs granted to Senior management personnel and other employees is 292,000. The individual details of options/RSUs granted are not made available on account of the confidentiality restrictions on the Company with respect to each such grant, as well as such details being commercially and competitively sensitive, and would be made available to any shareholders who specifically requests for this information.
Mr. Elango R	President – Enterprise 5, North Americas	
Mr. Rohit Jayachandran	Head of Banking and Financial Services	
Mr. Mike Meyer	Head of Strategic Engagements	
Mr. Ajay Arya	Head of Mergers and Acquisitions	
Mr. Geoff Harrison	Chief Experience officer - Blink	
Mr. Suresh Anand Subbiah	Senior Vice President - Silverline Head	
Mr. Jonathan Masayuki Hattori	Senior Vice President - Competitive Solutions Head-SET	
Mr. Todd Lenox	Senior Vice President - Head, Hyperscale & Alliances	

Note : The stock units under Restricted Stock Units Plan 2021 were granted at ₹ 10 per RSU and stock options under Employee Stock Option Plan 2016 were granted at ₹ 2,200, ₹ 2,400, ₹ 2,500, ₹ 2,722, ₹ 2,800 and ₹ 2,900 per stock option on varied grant dates.

ANNEXURE TO THE BOARD'S REPORT

6. ADDITIONAL DISCLOSURES

1) Weighted average exercise price and weighted average fair value of options:

(₹ Million)

Plan	Weighted Average Exercise Price (₹)	Weighted Average Fair Value (₹)
ESOP 1998 Version I	-	-
ESOP 1998 Version II	-	-
ESOP 2016	2587.38	1132.39
RSU 2021 Plan	10.00	2377.67

Note: Stock Options issued under ESOP 1998 Version I and ESOP 1998 Version II were not exercised during the financial year ended 31 March 2025. Accordingly, the Weighted Average Exercise Price and the Weighted Average Fair Value has not been provided.

2) Method and significant assumptions:

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

Sno.	Particulars	Assumptions	
1	Risk free interest rate	6.77% to 7.11%	
2	Expected Option life	1 to 10 years	
3	Expected volatility	29.11% to 31.87%	
4	Expected dividend yield %	1.93% to 2.26%	
5	Market price on date of grant (Weighted Average value of share) (₹)	ESOP 1998 Version I	-
		ESOP 1998 Version II	-
		ESOP 2016	2,739.81
		RSU 2021	2,824.63
6	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	NA	
7	How expected volatility was determined, and explanation of the extent to which expected volatility was based on historical volatility.	Volatility based on daily closing price for last 12 months from the date of Grant.	

Note: Stock Options issued under ESOP 1998 Version I and ESOP 1998 Version II were not exercised during the financial year ended 31 March 2025.

DETAILS RELATED TO TRUSTS

i. General Information on all Schemes:

Name of the Trust	Details of the Trustee(s)	Amount of Loan disbursed by the Company during the year*	Amount of loan outstanding (repayable to Company) as at the end of the year	Amount of loan, if any, taken from any other source for which company/any company in the group has provided any security or guarantee	Any other contribution made to the Trust during the year
Mphasis Employees Equity Reward Trust	Ms. Bamini Gouthaman Mr. Sidharth Venugopal Mr. P R Karthic	452,726,632.12	Nil	Nil	Nil
Mphasis Employees Benefit Trust	Ms. Bamini Gouthaman Mr. Sidharth Venugopal Mr. P R Karthic	1,739,110.00	Nil	Nil	Nil

* Cumulative amount disbursed by the Company and subsequently repaid/returned by the Trust including unutilized amounts.

ANNEXURE TO THE BOARD'S REPORT

ii. Brief details of transactions in shares by the Trust

Description	Mphasis Employees Equity Reward Trust	Mphasis Employees Benefit Trust
Number of shares held as at 1 April 2024	**22,520	*2
Number of shares acquired during the year through		
a) Primary Issuance	905,617	172,525
b) Secondary acquisition	Nil	Nil
- %age of paid-up share capital as at 31 March 2025	NA	NA
- Weighted Average cost of acquisition (₹)	NA	NA
Number of shares transferred to the employees against exercise of Stock Options/Restricted Stock Units	***560,158	***99,274
Number of shares sold along with the purpose thereof	****365,459	****73,251
Number of shares held at 31 March 2025	2,520	NIL

* represents shares deducted by the Mphasis Employees Benefit Trust from the shares allotted on 18 March 2024 towards recovery of the exercise price and applicable taxes, which were not sold in the market due to the trading window closure under the Code for Prevention of Insider Trading adopted by the Company.

** represents shares allotted to employee pursuant to exercise of stock options which could not be credited as the demat account of the employee was frozen. The shares were subsequently credited to the employees account after the trading window was opened under the Mphasis Code of Conduct for Prevention of Insider Trading.

*** represents shares credited to the employees account net of shares deducted by Trusts.

**** In terms of ESOP 2016 Plan, Mphasis Employees Equity Reward Trust deducted 365,459 shares from the shares allotted under ESOP 2016 Plan towards recovery of exercise price funded by the Company and payment of applicable taxes upon vesting/exercise of ESOP, pursuant to approval of shareholders obtained, under Section 67 of the Companies Act, 2013 at the 33rd Annual General Meeting held on 25 July 2024.

In terms of RSU Plan 2021, Mphasis Employees Benefit Trust deducted 73,251 shares from the shares allotted under RSU Plan 2021 towards recovery of exercise price funded by the Company and payment of applicable taxes upon vesting/exercise of RSUs, pursuant to approval of shareholders obtained, under Section 67 of the Companies Act, 2013 at the 30th Annual General Meeting held on 29 September 2021.

iii. Disclosures in case of secondary acquisition of shares by the Trust: NIL

For and on behalf of the Board of Directors

San Francisco, USA
24 April 2025

Jan Kathleen Hier
Chairperson

ANNEXURE TO THE BOARD'S REPORT

FORM - AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis –
 - (a) Name(s) of the related party and nature of relationship
 - (b) Nature of contracts/arrangements/transactions
 - (c) Duration of the contracts/arrangements/transactions
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
 - (e) Justification for entering into such contracts or arrangements or transactions
 - (f) date(s) of approval by the Board
 - (g) Amount paid as advances, if any:
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
2. Details of material contracts or arrangement or transactions at arm's length basis
 - (a) Name(s) of the related party and nature of relationship:
 1. Subsidiaries of Mphasis Limited.
 - (b) Nature of contracts/arrangements/transactions:
 - i. Availing and rendering of IT/ITES services;
 - ii. Payment and Receipt of Sub-lease rent to/from subsidiaries; and
 - iii. Contracts in relation to Placing and Receipt of Inter Corporate Deposits with/from the subsidiaries.
 - (c) Duration of the contracts/arrangements/transactions:

The services are availed and provided based on the agreements entered into and amended from time to time.
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:

The value of the transactions with the subsidiaries of the Company are disclosed under the Related Party schedule to the financial statements for the year ended 31 March 2025. Please refer to Note 32 of the consolidated financial statements and Note 30 of the standalone financial statements of the Company.
 - (e) Date(s) of approval by the Board, if any:

Nil as the contracts is in Ordinary Course of Business and at Arm's length basis
 - (f) Amount paid as advances, if any:

Please refer to related party schedule in the financial statements.

Nil

Note: The term material related party transaction is as defined under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For and on behalf of the Board of Directors

San Francisco, USA
24 April 2025

Jan Kathleen Hier
Chairperson

CORPORATE GOVERNANCE

COMPANY'S POLICY ON CORPORATE GOVERNANCE

Mphasis has adopted and adheres to the best recognized governance practices and continuously benchmarks itself against such practices. Governance at Mphasis encompasses structures, practices and processes adopted in every sphere of the Company's operations to provide sustained long-term value to all its stakeholders. The Company's governance policy is evaluated and refreshed, from time to time, in light of changing circumstances designed to promote accountability, transparency and ethical behavior. It is reflective of the Mphasis core value system, which encompasses practices and relationships the Company has with its stakeholders. It is the Company's responsible governance practices coupled with its next-gen solutions that will be core to an environment for the acceleration of stakeholder digital transformation.

The Company, as a responsible corporate citizen, believes that the spirit of Corporate Governance is beyond statutory compliance, which aims to not only ensure compliances but also practice the highest standards of governance to meet the ethical, legal, economic and social values, which are central to stakeholders' trust and confidence. While the letter of the law is paramount in all its activities, the spirit in which it is followed aligns with the interests of the stakeholders, viz. shareholders, clients, employees, suppliers partners, society and regulatory bodies.

Further, the Company, as a conscious corporate citizen, while moving ahead, has also integrated sustainability across its operations primarily driven by four pillars of ESG, architecting stakeholder value, applying good governance, incorporating inclusion and engineering climate sustainability.

The Company complies with the governance requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and presents the Corporate Governance Report for the financial year ended 31 March 2025.

1. BOARD OF DIRECTORS

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

(a) Composition of the Board

As of 31 March 2025, the Board comprised of 12 (twelve) directors consisting of 4 (four) independent directors, 1 (one) executive director and 7 (seven) directors who are nominated by BCP Topco IX Pte. Ltd., the Promoter (forming a part of the Blackstone Group of companies). Out of the total 12 (twelve) directors, 2 (two) Independent Directors and 1 (one) Non-Executive Director are women. The maximum tenure of the Independent Directors is as per the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Davinder Singh Brar (DIN:00068502) retired as an Independent Director and Chairperson of the Board effective closing hours of 30 September 2024 pursuant to completion of his tenure approved by the shareholders and subsequently, Ms. Jan Kathleen Hier was appointed as the Chairperson of the Board effective 1 October 2024. The Board of Directors at its meeting held on 16 August 2024, appointed Mr. Girish Paranjpe (DIN: 02172725) as an independent director effective 1 October 2024 which was approved by the shareholders by means of a special resolution through a postal ballot on 20 September 2024.

Further to this, there are no changes in the number of directors on the Board of the Company as at the date of the report.

All the Independent Directors have confirmed that they meet the criteria of independence as laid out under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereto. As required under the Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors have registered themselves on the online data bank maintained by the Indian Institute of Corporate Affairs. Mr. Davinder Singh Brar, Ms. Maureen Anne Erasmus, Mr. Sunil Gulati and Mr. Girish Paranjpe are exempted from the online proficiency self-assessment test and Ms. Jan Kathleen Hier has completed the online assessment.

The Board confirms that in its opinion the independent directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management. It is further confirmed that none of the directors have been debarred or disqualified from being appointed or continuing as a director of the Company by the Ministry of Corporate Affairs or the Securities and Exchange Board of India or any other Statutory Authority. The said affirmation is confirmed by the Practicing Company Secretary in the compliance certificate which is appended hereto.

(b) Board Procedure

i. Meetings of the Board

The Board meets at regular intervals with an annual calendar and formal schedule of matters specifically reserved for its consideration to ensure that the matters in relation to strategy, operations, governance, finance, risk and compliance are reviewed. The calendar of meetings on a rolling two-year basis are communicated to the directors in advance to ensure maximum participation. The Board is apprised on the performance of the Company and is provided with necessary information and presentations on matters concerning

CORPORATE GOVERNANCE

business, Industry, compliance and quarterly financials to ensure effective discharge of its responsibility. In addition to its meetings, the Board holds telecon meetings to discuss matters requiring immediate attention. The Directors of the Company, provide inputs to the management from their relevant fields of their knowledge and expertise, viz. information technology, technology consulting and operations, emerging areas of technology such as digital and cloud, other next-gen technologies, business process outsourcing, finance, accounting, marketing and management sciences, leadership, functional and managerial experience, governance, risk and compliance, diversity and sustainability.

Important decisions taken at the meetings of the Board/Committees are promptly communicated to the respective functionaries for their action. Further, the action items arising out of the decisions of the Board are followed up, reviewed and updated at the subsequent meetings.

The Chairperson of the respective Committees update the Board regarding Committee meetings held since the date of the last Board meeting and records the recommendations. During the year under review, all the recommendations made by the Committees were accepted by the Board.

Primarily, the Board oversees and provides policy guidance on the business and affairs of Mphasis, while balancing the interests of different stakeholders. Among other things, the Board undertakes following functions:

1. reviews and assesses the business and the operational strategy and plans developed by management;
2. is responsible for CEO succession, evaluation and compensation;
3. satisfies itself that the Company is governed effectively in accordance with good corporate governance practices;
4. oversees the functioning of sub-committees of the Board;
5. monitors management performance and directs corrections;
6. balances the interests of different stakeholders;
7. reviews and assesses the risks facing Mphasis and management approach to addressing such risks;
8. oversees the reliability of external communications, especially to shareholders;
9. oversees the process for compliance with laws and regulations; and
10. monitors and reviews the Board Evaluation framework.

ii. Orientation for Directors

The Company believes that it is pertinent for the Board members to know what is expected from them and equips them with necessary skills, materials and knowledge which aids in making informed decisions. Thoughtful and thorough orientation is key for the directors to leverage their full potential and enable them to contribute to the collective mindset of the Board minimizing missed opportunities.

A director orientation program begins when a person is appointed as a director and continues along his/her tenure. Upon appointment, a director is provided with a joining kit containing the charters of the Board and Committees, profiles of his/her colleagues on the Board and senior management, Board calendar etc. These details are also hosted on a secure electronic platform which is available for the Director's reference throughout his/her tenure. Also, in-depth details of the Company are provided to the new directors, covering organization history and current set up, business offerings, budgets, board culture and process, duties, responsibilities and liabilities, to list a few.

The orientation involves educating the directors on an on-going basis. The continued orientation program includes a review of the market units, update on changes in the competitive landscape, enterprise risk minimization overview and regulatory compliance. The directors assist senior management and provide effective guidance on select topic areas. This process provides an effective mechanism for the director to acquire specialized orientation. The Company conducts annual Board strategy meeting, which discusses topics inter-alia covering Company's strategies, Industry landscape, Investors and Customers perspective etc., which helps the director to orient himself/herself with the Industry, Company's operations, governance, strategy and perspective of stakeholders.

The adequacy perception of the orientation is ingrained into the Board evaluation parameters, which helps the Company to build the orientation process further. The orientation process is uploaded on the website at [Orientation to Directors](#).

Further, at the time of the appointment of the Independent Directors, the Company issues a formal letter of appointment inter-alia setting out his/her roles, duties and responsibilities. The format of the appointment letter of the Independent Director is hosted on the website of the Company at [Letter of Appointment to Independent Directors.pdf \(mphasis.com\)](#).

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The Independent Directors of the Board were familiarized on the business models, industry trends, leadership development and compliances in relation to the Company. As on 31 March 2025, the number of hours spent on the aforesaid activities aggregates to over 13.5 hours. The cumulative hours spent by Independent Directors on the above programs, from 1 April 2017 to 31 March 2024 is over 80 hours.

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

During FY25, six meetings of the Board were held on 25 April 2024, 25 July 2024, 16 August 2024, 16 October 2024, 22 and 23 January 2025 and 25 March 2025. The details of the attendance at the meetings of the Board and the last Annual General Meeting, together with the particulars of other directorship, committee membership/chairmanship, are as follows:



- Present in person



- Present on VC



- Absent

Name and Category	Attendance during 2024-25			Other Directorship, Committee Membership / Chairmanship			
	Board Meetings		Attendance at the Last AGM	Other Directorships (Director in Public Limited Companies) ¹	Independent Directorships in other Listed Companies	Committee Memberships ^{2 and 3}	Committee Chairmanships ²
	Number of meetings held during tenure	No. of meetings attended					
Executive Director							
Mr. Nitin Rakesh Chief Executive Officer and Managing Director	6	6		1(1)	Nil	1	Nil
Independent Directors							
Ms. Jan Kathleen Hier, Chairperson ^{refer Note 4}	6	6		Nil	Nil	Nil	Nil
Mr. Davinder Singh Brar ^{refer Note 5}	3	3		10(2)	1	2	1
Ms. Maureen Anne Erasmus	6	6		Nil	Nil	1	1
Mr. Sunil Gulati ^{refer Note 6}	6	6		Nil	Nil	2	1
Mr. Girish Paranjpe ^{refer Note 7}	3	3	NA	5(3)	2	5	3
Non-Executive Directors (Non-Independent Directors)							
Mr. David Lawrence Johnson	6	5		Nil	Nil	Nil	Nil
Mr. Marshall Lux	6	6		Nil	Nil	Nil	Nil
Mr. Amit Dixit	6	5		4(3)	Nil	Nil	Nil
Mr. Amit Dalmia	6	6		2(1)	Nil	4	1
Ms. Courtney della Cava	6	6		Nil	Nil	Nil	Nil
Mr. Pankaj Sood	6	6		6(4)	Nil	Nil	Nil
Mr. Kabir Mathur	6	6		2(2)	Nil	1	Nil

Notes:

- Does not include directorships in foreign companies and membership in governing councils, chambers and other bodies.
- Includes membership/Chairmanship in Audit Committee and Stakeholders Relationship Committee of public limited companies, including Mphasis Limited.
- Committee memberships include Committee chairmanships.
- There are no relationships inter-se directors as on 31 March 2025.
- Appointed as Chairperson of Board effective 1 October 2024.
- Retired as an Independent Director and Chairperson of Board effective 30 September 2024.
- Appointed as an Independent Director effective 1 October 2024.

CORPORATE GOVERNANCE

(d) Details of Other Directorships

None of the directors hold directorship in excess of the limits permitted under the law. Given below is the list of other Directorship of the directors in listed entities as of 31 March 2025.



- Independent Director



- Whole time Director



- Non-Independent Director

Name of the Companies	Mr. Davinder Singh Brar Independent Director	Mr. Nitin Rakesh CEO and Managing Director	Ms. Jan Kathleen Hier Chairperson	Mr. Sunil Gulati Independent Director	Ms. Maureen Anne Erasmus Independent Director	Mr. David Lawrence Johnson Non-Executive Director	Mr. Marshall Lux Non-Executive Director	Mr. Amit Dixit Non-Executive Director	Mr. Amit Dalmia Non-Executive Director	Ms. Courtney della Cava Non-Executive Director	Mr. Kabir Mathur Non-Executive Director	Mr. Pankaj Sood Non-Executive Director	Mr. Girish Paranjpe Independent Director
Mphasis Limited													
EPL Limited (formerly Essel Propack Limited)													
Crisil Limited													
Axis Bank Limited													
Aadhar Housing Finance Limited													
R Systems International Limited													
Aditya Birla Fashion and Retail Limited													

Notes:

1. Mr. Davinder Singh Brar retired as an Independent Director and Chairperson of Board effective 30 September 2024.
2. Ms. Jan Kathleen Hier was appointed as Chairperson of Board effective 1 October 2024.
3. Mr. Girish Paranjpe was appointed as an Independent Director effective 1 October 2024.

(e) Independent Directors Meeting

In accordance with Section 149 read with Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of the Company meet without the presence of management to discuss the Company's operations and performance. During the year, the Independent Directors meeting was held twice and *inter-alia*:

1. Reviewed the performance of the Non-Independent Directors and Board as a whole;
2. Reviewed the performance of the Chairperson of the Board by the other Independent Directors considering the views of Executive Director and Non-Executive Directors; and
3. Assessed the quality, quantity and timeliness flow of information between the Management and the Board.

(f) Material Subsidiaries

In accordance with Regulation 24(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, following are the material subsidiaries of the Company. The details of the incorporation and the statutory auditors as required to be furnished pursuant to provisions of Part C to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are also given below:

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Name of the material subsidiary	Date and place of incorporation	Name of the Statutory Auditor	Date of appointment
Mphasis Corporation	17 Sep 1998 Delaware, USA	Requirement of statutory audit is not applicable	Not Applicable
Mphasis Wyde Inc.	27 July 2011 Delaware, USA	Requirement of statutory audit is not applicable	Not Applicable
Mphasis UK Limited	14 May 1999 England and Wales	Barnes Roffe LLP, UK	18 August 2023
Mphasis Europe BV	20 Oct 1999 Netherlands	Requirement of statutory audit is not applicable	Not Applicable
Msource (India) Private Limited ^{refer Note}	10 Apr 2000 Karnataka, India	BSR & Co LLP	10 August 2023
Digital Risk Mortgage Services LLC ^{refer Note}	13 Nov 2009 Delaware, USA	ASA & Associates LLP	13 August 2018

Note: Refers to material subsidiary whose turnover or Networth exceeds ten percent of the consolidated turnover or Networth, respectively.

Pursuant to the requirements of Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Jan Kathleen Hier, Independent Director of the Company, serves as a Director on the Boards of unlisted material subsidiaries of the Company, viz. Mphasis Corporation, USA, Mphasis Wyde Inc., USA, Mphasis UK Limited, UK and Mphasis Europe BV, Netherlands, effective 1 April 2019.

(g) Board Skill Matrix

The Board of Directors had at its meeting held on 16 October 2024, approved a revised skill matrix as given below. The skill matrix sets out the skills which are required to be possessed by the Board of the Company. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is confirmed that the Board possesses the required skills defined in the matrix. The Directors appointed to the Board of the Company are drawn from diverse backgrounds and possess special skills, competence and expertise depending on the industries/field they are associated with.

Board skill-set matrix	Description
Technology	Experience and understanding of information technology business, technology consulting and operations, emerging areas of technology such as digital, cloud, cyber security, artificial intelligence, intellectual property and knowledge of technology trends.
Global Experience / Domain expertise	<ul style="list-style-type: none"> • Knowledge and understanding of applicable key geographies; • Knowledge and experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures and regulatory frameworks; and • Business expertise in at least one of the Mphasis verticals.
Strategy	<ul style="list-style-type: none"> • Ability to critically assess strategic opportunities and threats and guide the Company to develop effective strategies; and • Experience in Mergers and Acquisitions transactions.
Leadership, Functional and Managerial experience	<ul style="list-style-type: none"> • Leadership experience and skills including ability to set appropriate Board and Company culture; • Commitment to assisting executive management in strategic initiatives, board focus areas and challenging management assumptions; • Mentor the leadership team of the Company; and • Knowledge and skills in business judgment, general management practices and processes, crisis response and management, human resources, labour laws, sales and marketing.

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Board skill-set matrix	Description
Financial	<p>Qualifications and experience in accounting and/or finance and the ability to:</p> <ul style="list-style-type: none"> • analyze key financial statements; • assess financial viability and performance; • analyze the governance over financial reporting and disclosures; • critically assess the Internal Controls; and • assess and provide guidance over investments, borrowing and hedging approach of the Company.
Governance, Risk and Compliance	<ul style="list-style-type: none"> • Knowledge and experience in the application of corporate governance principles and setting up corporate governance practices to support the Company's legal, risk and compliance systems and governance policies/practices and enhance stakeholder values; and • Ability to identify key risks associated with the operations of the Company including broad legal and regulatory frameworks and mitigation plans.
Diversity and Sustainability	<ul style="list-style-type: none"> • Understanding gender, ethnic, geographic, cultural or other perspectives that enhance the Board's insight into the needs and viewpoint of customers, employees and other stakeholders; • Experience in leading the sustainability and ESG vision of the Company and contributing to the enhancement of long-term stakeholder value through sustainability initiatives; and • Knowledge of emerging sustainability topics and initiatives.

Based on the confirmation received from the directors on the skill matrix, the directors are mapped to the skill matrix as follows:

Board skill-set matrix	Details of Directors mapped to the skill sets
Technology	Ms. Jan Kathleen Hier, Mr. Sunil Gulati, Mr. Girish Paranjpe, Mr. Nitin Rakesh, Mr. David Lawrence Johnson, Mr. Marshall Lux, Ms. Courtney della Cava, Mr. Amit Dixit, Mr. Amit Dalmia, Mr. Kabir Mathur and Mr. Pankaj Sood
Global Experience /Domain experience	All Directors
Strategy	All Directors
Leadership, Functional and Managerial experience	All Directors
Financial	All Directors
Governance, Risk and Compliance	All Directors
Diversity and Sustainability	All Directors

The Board skill sets are mapped based on Director's expertise and proficiency.

II. COMMITTEES

(a) Audit Committee













The primary function of the Audit Committee, as per its Charter, is to provide assistance to the Board of Directors in fulfilling their responsibilities to the shareholders and others, inter-alia, relating to:

- overseeing the processes of ensuring the integrity of the Company's financial statements;
- overseeing the processes for compliance with laws and regulations;
- overseeing the process by which confidential or anonymous complaints or information pertaining to financial or commercial matters are received and acted upon;
- enquiring into reasons for any default by the Company in honoring its obligations to its creditors and members;

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- reviewing the process for entering into related party transactions and related disclosures;
- satisfying itself regarding the conformance of CEO's remuneration, expense reimbursements and use of Company assets in terms of his employment and Company's rules and policies;
- evaluating the internal financial controls and risk management systems;
- overseeing the process of inter-corporate transactions and scrutinizing the inter-corporate loans and investments;
- reviewing the utilization of loans, and/or advances to the subsidiaries, investments in the subsidiaries exceeding ₹ 100 crores or 10% of the asset size of the respective subsidiary, whichever is lower; and
- approving the appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.

During the year ended 31 March 2025, seven meetings of the Audit Committee were held on 25 April 2024, 12 June 2024, 24 July 2024, 16 August 2024, 15 October 2024, 13 November 2024 and 22 January 2025. The composition of the Committee and the attendance of the members at each of the meetings held during the year ended 31 March 2025 are given below:

		 - Present  - Absent	
Member	Category	No. of Meetings held during the tenure	No. of Meetings attended
Ms. Maureen Anne Erasmus, Chairperson <small>refer Note 2</small>	Independent Director		
Mr. Davinder Singh Brar <small>refer Note 3</small>	Independent Director		
Mr. Amit Dalmia	Non-Executive Director		
Mr. Sunil Gulati <small>refer Note 4</small>	Independent Director		
Mr. Girish Paranjpe <small>refer Note 5</small>	Independent Director		

Notes:

1. The attendance of the members is reported in the chronology of the meetings.
2. Ms. Maureen Anne Erasmus was elected as Chairperson of the Audit Committee effective 25 April 2024.
3. Mr. Davinder Singh Brar ceased to be a member of Audit Committee effective 30 September 2024.
4. Mr. Sunil Gulati was appointed as a member of the Audit Committee effective 1 April 2024.
5. Mr. Girish Paranjpe was appointed as a member of the Audit Committee effective 1 October 2024.

(b) Nomination and Remuneration Committee

i. Brief description of terms of reference, composition and attendance of the Committee

In order to oversee the functioning of the compensation and Benefit Plans and to provide for fair and transparent nomination process for the directors, the Board of Directors of the Company have constituted a Nomination and Remuneration Committee.









The primary function of the Nomination and Remuneration Committee is to provide assistance to the Board of Directors in fulfilling its responsibility with respect to oversight of the establishment, administration and appropriate functioning of compensation and benefit plans, related matters and to review and recommend to the Board, the appointment and removal of the Directors and Key Managerial Personnel.

The Committee meets based on the business to be transacted. During the year ended 31 March 2025, three meetings of the Nomination and Remuneration Committee were held on 17 April 2024, 16 August 2024 and 15 October 2024. The composition of the Committee and the attendance at each of the meetings held during the year ended 31 March 2025 are given below:

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 - Present

 - Absent

Member	Category	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Sunil Gulati <small>refer note 2&3</small>	Independent Director		
Ms. Jan Kathleen Hier <small>refer note 4</small>	Independent Director		
Mr. Davinder Singh Brar <small>refer note 5</small>	Independent Director		
Mr. Amit Dixit	Non-Executive Director		

Notes:

1. The attendance of the members is reported in the chronology of the meetings.
2. Mr. Sunil Gulati was appointed as a member of the Nomination and Remuneration Committee effective 1 October 2024.
3. Mr. Sunil Gulati was appointed as a Chairperson of the Nomination and Remuneration Committee effective 15 October 2024.
4. Ms. Jan Kathleen Hier ceased to be Chairperson of the Nomination and Remuneration Committee effective 1 October 2024.
5. Mr. Davinder Singh Brar ceased to be a member of Nomination and Remuneration Committee effective 30 September 2024..

ii. Remuneration Policy

The remuneration policy of the Directors is aligned towards rewarding participation in meetings and is in consonance with industry benchmarks and requirements of the law. The objective of the policy is to attract and retain skillful talent while delivering optimal value to the business. The executive remuneration policy is aligned with an objective to recognize the need to be competitive in the industry by ensuring fair and reasonable rewards for high levels of performance. The remuneration policy is uploaded on the website of the Company www.mphasis.com in the Investors section under the Corporate Governance page. The key points of the remuneration policy for the directors and executives are given below:

(a) Non-Executive Directors

The Company pays commission to its Non-Executive Directors and Independent Directors as per the remuneration matrix approved by the shareholders of the Company. The amount of such commission, taken together for all Non-Executive Directors and Independent Directors, does not exceed 1% of the net profits of the Company in any financial year.

The remuneration matrix for the Non-Executive Directors for the year ended 31 March 2025 is as follows :

Particulars	Factor	Max Remuneration (₹ Lacs)
Fixed Remuneration	Flat Fee p.a.	60.00
Variable Remuneration determined based on the following:		
- Board Chairmanship	Flat Fee p.a.	10.00
- Board Meeting Attendance	Per Meeting	0.75
- General Body Meeting Attendance	Per Meeting	0.50
- Audit Chairmanship	Flat Fee p.a.	5.00
- Audit Membership	Per Meeting	0.40
- Nomination and Remuneration Committee Chairmanship	Flat Fee p.a.	1.00
- Nomination and Remuneration Committee Membership Attendance	Per Meeting	0.25

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

None of the directors received any additional remuneration other than what has been disclosed in the above remuneration matrix. There was no pecuniary relationship or transaction with any director other than that reported under this section.

(b) Executive Director

Mr. Nitin Rakesh is the Chief Executive Officer and Managing Director (hereinafter referred to as Executive Director) of the Company. The Board of Directors / Nomination and Remuneration Committee of Board is authorized to decide the remuneration of the Executive Director, subject to the approval of the members. The remuneration structure comprises of Salary, Perquisites, Retirement benefits, Variable Pay and Equity based compensation. Annual increments are decided by the Nomination and Remuneration Committee within the limits approved by the members of the Company.

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

(c) Other Employees

The Company's executive remuneration policy for other senior executives including the Key Managerial Personnel, is guided by the Mphasis Compensation and Benefits manual. The Policy is aligned with an objective to recognize the need to be competitive in the Industry by ensuring fair and reasonable rewards for high levels of performance, enabling stable leadership and governance in the Company. The remuneration policy aims to attract, retain and motivate skilled executives, keeping in mind the short-term and long-term objectives of the Investors. The remuneration of executives comprises of fixed and variable compensation and equity-based compensation in the form of Restricted Stock Units and Stock Options in order to align with the long-term interests of the Company and stakeholders. The remuneration policy for the executives is hosted on the website of the Company at www.mphasis.com in the Investors section.

iii. Details of Remuneration paid to the Directors for the year 2024-25

(₹ million)

Name of Director	Salary ²	Bonus	Benefits / Perquisite	Commission	Total
Mr. Nitin Rakesh	62.20	-	464.60	-	526.80
Mr. Davinder Singh Brar <small>refer Note 3</small>	-	-	-	3.95	3.95
Ms. Jan Kathleen Hier	-	-	-	7.13	7.13
Ms. Maureen Anne Erasmus	-	-	-	7.28	7.28
Mr. David Lawrence Johnson	-	-	-	6.43	6.43
Mr. Marshall Lux	-	-	-	6.50	6.50
Mr. Amit Dixit	-	-	-	-	-
Mr. Amit Dalmia	-	-	-	-	-
Ms. Courtney della Cava	-	-	-	-	-
Mr. Kabir Mathur	-	-	-	-	-
Mr. Pankaj Sood	-	-	-	-	-
Mr. Sunil Gulati	-	-	-	6.82	6.82
Mr. Girish Paranjpe <small>refer Note 4</small>	-	-	-	3.31	3.31

Notes:

1. There is no provident fund contributed for Mr. Nitin Rakesh.
2. Represents remuneration paid from Mphasis Corporation, wholly owned Subsidiary of the Company, for the year ended 31 March 2025, pursuant to his secondment to Mphasis Corporation.
3. Retired as an Independent Director and Chairperson of Board effective 30 September 2024.
4. Mr. Girish Paranjpe was appointed as an independent director effective 1 October 2024.

The employment of Mr. Nitin Rakesh with the Company may be immediately terminated by the Company at any time upon delivery of written notice to him, without prior notice or pay in lieu of notice, in the event of "Dismissal for Cause" (as such term is defined in the employment agreement).

In addition, the Employee's employment with the Company may be terminated by the Company as a "Dismissal for Convenience" (as such term is defined in the employment agreement), without prior notice or pay in lieu of notice, effective on the date on which the written notice of termination has been issued by the Company (or such later date as may be set forth in the termination notice).

Mr. Nitin Rakesh may terminate his employment with the Company at any time by serving a written notice of resignation to the Company, which will not be effective until the expiry of 90 (ninety) days from the date of such resignation notice.

The details of severance fees are as per the employment agreement entered with Mr. Nitin Rakesh on 27 September 2021.

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During the year, Mr. Nitin Rakesh exercised 171,800 stock options and 69,039 restricted stock units (RSUs). As per the terms of the respective plans, Mr. Nitin Rakesh is eligible to further exercise 758,626 stock options under the Employee Stock Option Plan 2016 and 207,119 RSUs under the Restricted Stock Units Plan 2021, respectively.

The Independent Directors of the Company are not eligible for stock options or restricted stock units and none of the other Non-Executive Directors were granted any stock options and restricted stock units of Mphasis Limited during the year ended 31 March 2025.

iv. Remuneration Report

The remuneration to the employees and directors is paid as per the Remuneration Policy of the Company. The following is the information pursuant to Section 197(12) of the Companies Act, 2013:

Ratio of the remuneration of director to the median remuneration of the employees and net profit of the company and the percentage increase in remuneration of Directors and Key Managerial Personnels during the Financial Year 2024-25

Name of the Director/KMP	Designation	Percentage increase in Remuneration	Ratio of Remuneration	
			MR (in times)	NP (in %)
Mr. Nitin Rakesh	CEO and Managing Director	5	662	0.76
Ms. Jan Kathleen Hier	Independent Director	8	9	0.04
Mr. Davinder Singh Brar ^{refer Note 7}	Independent Director	NA	NA	NA
Ms. Maureen Anne Erasmus	Independent Director	10	9	0.04
Mr. Sunil Gulati	Independent Director	NA	9	0.04
Mr. Girish Paranjpe ^{refer Note 8}	Independent Director	NA	NA	NA
Mr. David Lawrence Johnson	Non-Independent Director	Nil	8	0.04
Mr. Marshall Lux	Non-Independent Director	2.36	8	0.04
Mr. Manish Dugar ^{refer Note 9}	Chief Financial Officer	NA	NA	NA
Mr. Aravind Viswanathan ^{refer Note 10}	Chief Financial Officer	NA	NA	NA
Mr. Subramanian Narayan ^{refer Note 11}	Company Secretary	NA	NA	NA
Mr. Sivaramakrishnan Puranam ^{refer Note 12}	Company Secretary	NA	NA	NA

Notes:

- MR = Median Remuneration, NP = Consolidated Net Profit.
 - As per the remuneration policy, the Independent Directors are not eligible for Stock Options of the Company.
 - No other Non-Executive and Independent Directors were paid any remuneration. The remuneration paid to Non-Executive Directors (including Independent Directors) is based on the position occupied in various committees and meetings attended by them during Financial Year 2024-25.
 - Remuneration is calculated as per Section 197 of the Companies Act, 2013.
 - The variable component of the Salary of CEO is linked to the performance targets for the overall Mphasis Group in terms of Revenue and EPS, and for other employees, the Company has a defined performance targets linked to the consolidated Statement of Profit and Loss account, in addition to their performance.
 - The remuneration of Mr. Nitin Rakesh represents remuneration paid from Mphasis Corporation, wholly owned subsidiary of the Company, for the year ended 31 March 2025, pursuant to his secondment to Mphasis Corporation.
 - Retired as an Independent Director and Chairman of Board effective 30 September 2024.
 - Mr. Girish Paranjpe was appointed as an independent director effective 1 October 2024.
 - Resigned as Chief Financial Officer w.e.f. 16 August 2024.
 - Appointed as Chief Financial Officer w.e.f. 16 August 2024.
 - Resigned as Company Secretary w.e.f. 22 November 2024.
 - Appointed as Company Secretary w.e.f. 23 January 2025.
- NA- Not Applicable, as remuneration for a part of a year is not comparable.

During the year, identified talent segments were prioritized and provided an average increase in remuneration of 10.24%. The details of increments given to Key Managerial Personnel has been disclosed above. The median remuneration of employees increased by 8.6% during the year. There are no employees receiving remuneration in excess of remuneration received by the CEO and Managing Director of the Company. As at 31 March 2025, there were 30,157 permanent employees on the rolls of the Company. The Company pays remuneration in accordance with its remuneration policy.

v. Details of shares held by the Directors

As on 31 March 2025, Mr. Nitin Rakesh, Chief Executive Officer and Managing Director, holds 2,66,378 equity shares of the Company. None of the other directors hold any equity shares or convertible instruments in the Company.

CORPORATE GOVERNANCE

vi. Board Assessment

Performance assessment of the Board involves directors undertaking a critical review as a collective body, identifying the Board's strengths and weaknesses and is initiated towards the enhancement of the Board's performance. The assessment is carried annually by means of a structured questionnaire.

During the year, the performance evaluation of the Independent Directors, was carried out by the entire Board (wherein the Independent Director being evaluated did not participate) based on the framework recommended by the Nomination and Remuneration Committee. The criteria included evaluation of the Board Culture, Sub-committees, Board Management, evaluation of directors' abilities in terms of understanding the Business of the Company, engaging with the management, participation at the meetings, evaluation of their skills-sets to the Board skill matrix etc. The criteria for evaluation of Independent Directors inter-alia included evaluation of fulfilment of Independence criteria and their evaluation of independence from the management. The performance evaluation of the Non-Independent Directors was carried out by the Independent Directors.

The feedback from the assessment of individual Directors, the Board and its Committees, were compiled and the performance evaluation report was discussed by the Independent Directors and the Board/Committee for the FY 2024-25 and it was unanimously agreed to take up the suggestions for action.

The outcomes of the performance evaluation process for FY 2024-25 and the actions thereon are summarised below:

The directors were satisfied with the way of the Board's functioning, experience, diversity, expertise and its engagement with the management. The Board Committees were also found to be effective in terms of its composition, functioning and contribution. An overview of the suggestions as drawn from the evaluation exercise was deliberated and recommended for implementation.

vii. Board Diversity

Diversity is intrinsically woven into the philosophy of Mphasis. The Company has always been committed to ensuring that the workplace is free from any form of discrimination based on gender, age, race, religion, disability or sexual orientation. Mphasis respects each of its stakeholders associated with it and values their differences. The Board of the Company has adopted a Board Diversity Policy as per the requirements of law with an emphasis to recognize inclusion of woman director on the Board.













All Board appointments are based on meritocracy and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board. The Board Diversity Policy has been uploaded on the website of the Company at <https://www.mphasis.com/content/dam/mphasis-com/global/en/investors/governance/Board%20Diversity%20Policy.pdf> in the Investors section.

Ms. Jan Kathleen Hier (DIN: 07360483) and Ms. Maureen Anne Erasmus (DIN: 09419036), Independent Directors and Ms. Courtney della Cava (DIN: 09380419), Non-Executive Director, are the women Directors on the Board of the Company.

(c) CSR Committee

As required under Section 135 of the Companies Act, 2013, the Board of Directors have constituted the CSR Committee. The primary function of the committee is to assist the Board of Directors in formulating a Corporate Social Responsibility (CSR) Policy, review its implementation and progress from time to time and monitoring Environment, Social and Governance (ESG) initiatives.

During the year ended 31 March 2025, three meetings of the CSR Committee were held on 24 April 2024, 15 October 2024 and 22 January 2025. The composition of the Committee and the attendance of the members at each of the meetings held during the year ended 31 March 2025 are given below:

Member	Category	No. of Meetings held during the tenure	
		 - Present	 - Absent
Mr. Girish Paranjpe, Chairperson <small>refer Note 2&3</small>	Independent Director		
Mr. Davinder Singh Brar <small>refer note 2</small>	Independent Director		
Mr. Nitin Rakesh	Executive Director		
Mr. Amit Dalmia	Non-Executive Director		
Mr. Sunil Gulati	Independent Director		

Note:

- The attendance of the members is reported in the chronology of the meetings.
- Mr. Davinder Singh Brar ceased to be a member of the CSR Committee effective 30 September 2024 and Mr. Girish Paranjpe was appointed as a member of the CSR Committee effective 1 October 2024. NA – Not Applicable.
- Mr. Girish Paranjpe was appointed as the Chairperson of the CSR Committee effective 15 October 2024.

CORPORATE GOVERNANCE

(d) ESOP Compensation Committee

The Board of Directors of the Company has constituted an ESOP Compensation Committee in line with the requirements of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

During the year ended 31 March 2025, the ESOP Compensation Committee has, on a periodic basis, approved exercise of 905,617 equity shares of ₹ 10 each under Employees Stock Option Plan 2016 (ESOP 2016 Plan) and approved exercise of 172,525 stock options of ₹ 10 each under Restricted Stock Unit Plan-2021 (RSU Plan 2021) respectively. The said shares have been duly credited to the employees and have been listed with the Stock Exchanges.

The primary function of the Committee is to administer Stock Option Plans and Restricted Stock Units of the Company including the grants made thereunder. The present composition of the Committee is as below:

Member	Category
Ms. Maureen Anne Erasmus, Chairperson	Independent Director
Ms. Jan Kathleen Hier	Independent Director
Mr. Amit Dalmia	Non-Executive Director

Note: The ESOP Committee was reconstituted effective 1 October 2024 pursuant to cessation of Mr. Davinder Singh Brar as director effective 30 September 2024.

During the year, the Committee approved a grant of 262,520 stock options under ESOP 2016 and 118,880 stock units RSU Plan 2021, respectively, to the eligible employees of the Company and its subsidiaries.

(e) Stakeholders Relationship Committee

The Company attaches paramount importance to the investor relations and is committed to redressal of grievances, such as non-receipt of annual reports, non-receipt of dividends and other investor related grievances, in a timely manner.

The responsibilities of the Committee are as follows:









- oversee the resolution of the grievances of the shareholders, debenture-holders and other security-holders including the grievances relating to transfer/transmission of shares, non-receipt of annual reports, non-receipt of dividends, issue of new/duplicate share certificates, General Meetings etc.;
- review measures taken for effective exercise of voting rights by the Shareholders;
- review the adherence to the service standards adopted by the Company in respect of services rendered by the Registrars and Share Transfer Agent; and
- review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and measures taken for ensuring timely receipt of dividend warrants, annual reports, statutory notices by the shareholders of the Company.

The details of the correspondence with the shareholders, including the details of the Investor Grievances, if any, are circulated to the Committee on a monthly basis. The status of Investor Complaints during the year ended 31 March 2025, is as under:

Complaints as on 1 April 2024	Nil
Complaints received during the year	3
Complaints resolved during the year	3
Complaints pending as on 31 March 2025	Nil

Note: The Company has not received any grievances in respect of the resolved Investor Complaints. The complaints were pertaining to non-receipt of dividend.

During the year ended 31 March 2025, a meeting of the Stakeholders Relationship Committee was held on 15 October 2024, wherein all the members were present.

		 - Present  - Absent	
Member	Category	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Sunil Gulati, Chairperson	Independent Director		
Mr. Nitin Rakesh	Executive Director		
Mr. Amit Dalmia	Non-Executive Director		

Note: The Committee was reconstituted effective 1 October 2024 pursuant to cessation of Mr. Davinder Singh Brar as director effective 30 September 2024.

CORPORATE GOVERNANCE

Name, Designation and Address of the Compliance Officer



Mr. Sivaramakrishnan Puranam
Senior Vice President and Company Secretary,
Mphasis Limited
Bagmane World Technology Center, Marathahalli Outer Ring Road, Doddanakhundi Village,
Mahadevapura, Bengaluru – 560048.

(f) Share Transfer Committee

In order to expedite the requests of the shareholders, in connection with transfers, demat and other related processes, the Board constituted a Share Transfer Committee. The Share Transfer Committee of the Board is authorized *inter-alia* to approve physical transfers/transmissions/transpositions/dematerialization/re-materialization requests, issue of duplicate share certificates, issue of fresh share certificates, release of stop transfer cases etc.

The composition of the Committee is as follows:

Member	Category
Mr. Nitin Rakesh, Chairperson	Executive Director
Mr. Girish Paranjpe	Independent Director
Mr. Amit Dalmia	Non-Executive Director

During the year ended 31 March 2025, the Share Transfer Committee was reconstituted effective 1 October 2024 pursuant to cessation of Mr. Davinder Singh Brar as director effective 30 September 2024. During the year ended 31 March 2025 the Share Transfer Committee passed resolutions by circulation dated 24 June 2024, 28 August 2024, and 20 September 2024 for issue of duplicate share certificate, release of the related bonus shares kept in abeyance and approval of transfer of equity shares to Investor Education and Protection Fund.

In terms of Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, request for effecting transfer of shares is not processed unless such shares are held in the dematerialized form. Further, the requests for transmission, transposition, issue of duplicate share certificates etc. are processed only in dematerialized form. The Company ensures that the transmission of shares and other requests are effected within the statutory time of their due lodgment. The Company has appointed Integrated Registry Management Services Private Limited, a SEBI registered Share Registrar and Transfer Agent, as its Share Transfer Agent.

(g) Treasury and Operations Committee

The Board has constituted a “Treasury and Operations Committee” considering desired focus on the treasury and business operations. The powers and functions of the Committee include, oversight of liquidity management and banking operations, forex risk management, investment portfolio/interest rate risk management, approval for capital expenditure/hardware resale and settlement of legal cases beyond certain limits of the Committee.

During the year ended 31 March 2025, the Treasury and Operations Committee was reconstituted effective 1 October 2024 pursuant to cessation of Mr. Davinder Singh Brar as director effective 30 September 2024 and meetings of the Committee were held on 24 April 2024 and 15 October 2024. The composition of the Committee and the attendance of the members at each of the meetings held during the year ended 31 March 2025 are given below:

Member	Category	No. of Meetings held during the tenure	
		Present	Absent
Mr. Girish Paranjpe, Chairperson <small>refer note 2 & 3</small>	Independent Director		
Mr. Davinder Singh Brar <small>refer note 2</small>	Independent Director		
Mr. Nitin Rakesh	Executive Director		
Mr. Amit Dalmia	Non-Executive Director		
Mr. Pankaj Sood	Non-Executive Director		

Notes:

- The attendance of the members is reported in the chronology of the meetings.
- Mr. Davinder Singh Brar ceased to be a member of the Committee effective 30 September 2024 and Mr. Girish Paranjpe was appointed as a member of the Committee effective 1 October 2024.
- Mr. Girish Paranjpe was appointed as the Chairperson of the Committee effective 15 October 2024.




CORPORATE GOVERNANCE

(h) Risk Governance and Management Committee

The Board has constituted a Risk Governance and Management Committee (RGMC) with a primary function to review and approve annually, an Enterprise Risk Management framework (ERM Framework), review and recommend changes to the approved ERM Framework, evaluate the significant risk exposures to the Company and review the management actions to mitigate such risks, evaluate the Cyber – Security preparedness of the Company. During the year ended 31 March 2025 RGMC was reconstituted effective 1 October 2024 and four meetings of the Committee were held on 24 April 2024, 24 July 2024, 15 October 2024 and 22 January 2025.

The composition of the Committee and the attendance of the members at each of the meetings held during the year ended 31 March 2025 are given below:

 - Present  - Absent

Member	Category	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Marshall Lux, Chairperson	Non-Executive Director		
Ms. Maureen Anne Erasmus	Independent Director		
Mr. Nitin Rakesh	Executive Director		
Mr. David Lawrence Johnson	Non-Executive Director		
Mr. Kabir Mathur	Non-Executive Director		
Mr. Manish Dugar ^{refer Note 2}	Chief Financial Officer		
Mr. Eric Winston	EVP, General Counsel and Chief Risk, Ethics & Compliance Officer		
Mr. Aravind Viswanathan ^{refer Note 3}	Chief Financial Officer		

Notes:

1. The attendance of the members is reported in the chronology of the meetings.
2. Mr. Manish Dugar ceased to be member of the Risk Governance and Management Committee effective 16 August 2024 pursuant to his resignation as Chief Financial Officer.
3. Mr. Aravind Viswanathan was appointed as the Chief Financial Officer effective 16 August 2024 and was inducted as a member of the Risk Governance and Management Committee effective 1 October 2024.

III. SHAREHOLDERS MEETING

(a) Location and time of last three AGMs:

Following is the summary of the last three Annual General Meetings (AGM) of the Company, which were conducted through Video Conference:

AGM	Date and Time	Venue
Thirty first Annual General Meeting	21 July 2022 09:00 AM	Bagmane World Technology Center, Marathahalli Outer Ring Road, Doddanakhundi Village, Mahadevapura, Bengaluru – 560048, Karnataka.
Thirty second Annual General Meeting	20 July 2023 09:00 AM	
Thirty third Annual General Meeting	25 July 2024 09:00 AM	

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

Date of AGM	Special Resolutions transacted
21 July 2022	<ul style="list-style-type: none"> • Appointment of Ms. Maureen Anne Erasmus as an Independent Director
25 July 2024	<ul style="list-style-type: none"> • Approval of cashless facility under Mphasis Employee Stock Option Plan 2016 • Extension of benefits of cashless facility under Mphasis Employee Stock Option Plan 2016 to the eligible employees of the subsidiary companies

CORPORATE GOVERNANCE

(c) Special resolutions transacted through Postal Ballot last year:

Details of Special Resolution passed through Postal Ballot	Voting Pattern
Appointment of Mr. Sunil Gulati as an Independent Director of the Company for a period of five consecutive years effective 1 April 2024.	Resolution passed by 98.85% majority
Appointment of Mr. Girish Paranjpe as an Independent Director for the Company for a period of five consecutive years effective 1 October 2024.	Resolution passed by 99.37% majority

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

The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the Rules framed thereunder and applicable circulars issued by the Ministry of Corporate Affairs from time to time.

None of the items to be transacted at the ensuing 34th Annual General Meeting are required to be passed by special resolution through postal ballot.

IV. DETAILS OF SENIOR MANAGEMENT PERSONNEL AND CHANGES

The senior management personnel comprise of the Executive Council (ExCo) (including the CEO and the CFO) and the Company Secretary. The details of ExCo is hosted on the website of the Company at <https://www.mphasis.com/home/corporate/leadership.html> and the details of Company Secretary is disclosed in the Annual Report. The changes in senior managerial persons during the year ended 31 March 2025 is provided below:

Name	Designation	Nature of Change
Mr. Anurag Bhatia	SVP, Head of Global Business Process Services	Resignation effective 31 July 2024
Mr. Manish Dugar	Chief Financial Officer	Resignation effective 16 August 2024
Mr. Aravind Viswanathan	Chief Financial Officer	Appointment effective 16 August 2024
Mr. Mike Meyer	EVP, Head of Strategic Sales	Appointment effective 11 November 2024
Mr. Subramanian Narayan	Company Secretary and Compliance Officer	Resignation effective 22 November 2024
Mr. Sivaramakrishnan Puranam	Company Secretary (Interim) and Compliance Officer	Appointment effective 23 January 2025

V. OTHER DISCLOSURES

- There are no materially significant related party transactions which have potential conflict with the interest of the Company at large. The details of applicable related party transactions are filed with the stock exchanges based on the statutory requirements. Related party transactions are reported in the financial statements of the Company. The Board of Directors of the Company has approved a Policy on the materiality of related party transactions which is hosted on the website of the Company www.mphasis.com in the Investors section under the Corporate Governance page.
- The code of conduct of the Board of Directors and senior management has also been disclosed on the website.
- No penalty has been imposed on the Company on any matter relating to Capital Markets by the Stock Exchanges or Securities and Exchange Board of India or any other statutory authority from the date of inception of the Company. Further, the shares of the Company were not suspended from trading at any time during the year.
- At Mphasis, we have a free and fair channel of communication for concerns about integrity, unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.
- The objective of the Whistleblower Policy is to provide anyone observing an illegal or unethical practice within the organization, secure means to raise that concern, without fear of retaliation. All companies of the Mphasis Group and people associated with the Company viz. Customers, Vendors etc. can raise such concerns through written complaints deposited in drop-boxes at any of our offices, through emails or through the whistleblower hotline numbers. The Audit Committee Chairperson is the Whistleblower Ombudsperson.

CORPORATE GOVERNANCE

- f. During the year, ICRA Limited vide its letter dated 30 December 2024 reaffirmed the rating for the Company as per the following details:

Instrument	Rated Amount (₹ crore)	Rating
Long-term/ Short-term Fund based/ Non-fund Based – Others	1,600	[ICRA]AA+ (Stable)/ [ICRA]A1+; Reaffirmed

- g. For the disclosures regarding reporting of complaints relating to the POSH Act, please refer to the Board's Report.
- h. During the financial year 2024-25, the Company has not given any loans and advances to firms/Companies in which directors are interested.
- i. The Company does not deal in commodities. For detailed information on foreign exchange risk and hedging activities, please refer to the Management Discussion and Analysis Report.
- j. During the financial year 2024-25, no funds were raised through preferential allotment or Qualified Institutional Placement as per the Regulation 32(7A) of the Listing Regulations.
- k. The Company has complied with all mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- l. As required under the provisions of the law, the following disclosures are uploaded on the website of the Company at <https://www.mphasis.com/home/corporate/investors.html> Investors are encouraged to visit the website of the Company to access such documents:
1. Quarterly Shareholding Pattern
 2. Disclosures of Voting Results
 3. Format of letter of appointment /re-appointment of Independent Directors
 4. Mphasis Related Party Policy
 5. Corporate Social Responsibility Policy
 6. Board Diversity Policy
 7. Policy on material subsidiaries
 8. Code of Conduct for Prevention of Insider Trading
 9. Code of Conduct for Directors and employees of the Company
 10. Orientation process for the Directors
 11. Familiarization programme
 12. Remuneration Policy for executives and directors
 13. Correspondence with Stock Exchanges
 14. Dividend Distribution Policy
 15. Document Retention and Archival Policy
 16. Policy for fair disclosure of UPSI
 17. Mphasis Prevention of Sexual Harassment (POSH) Policy
 18. Mphasis IP Policy
 19. Mphasis Anti-Slavery Policy
 20. Anti-Bribery and Corruption Policy
 21. Confidentiality Notice to Covered Persons
 22. Disclosures required under Regulation 46 to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

CORPORATE GOVERNANCE

VI. DETAILS OF FEES PAID TO THE STATUTORY AUDITORS

The details of total fees paid by the Company and its subsidiaries to BSR & Co., LLP (including its network firms), the Statutory Auditors of the Company, during the year is as follows:

	(Amount in ₹)
Total fees paid by the Company	22,290,000
Total fees paid by the subsidiaries of the Company	975,000

VII. INTERNAL CONTROLS

The Company has adequate internal control systems in place and has reasonable assurance on authorizing, recording and reporting transactions of its operations in all material respects and in providing protection and safeguard against misuse or loss of assets of the Company. The Company has in place, well documented procedures covering critical financial and operational functions commensurate with the size and complexities of the organization.

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

1. Adherence to applicable Accounting Standards and Policies including audit trails and backups.
2. ERP system connecting all offices enabling seamless data and information flow. This is constantly reviewed to enhance the internal control check points.
3. Preparation of annual budget for operation and service functions and monitoring the same with actual performance at regular intervals.
4. Ensuring that assets are properly recorded, and procedures have been put in place to safeguard against any loss or unauthorized use or disposal.
5. Internal audit is carried based on the audit universe coverage and Internal Audit Plan approved by the Audit Committee.
6. The observations arising out of internal audit are periodically reviewed at the Audit Committee meetings along with follow up action.
7. Quarterly presentations are made to the Audit Committee on enterprise risks faced by the Company and action plan to mitigate the same.

In addition, the Company uses the services of an external firm to periodically review various aspects of the internal control system to ensure that such controls are operating in the way expected and whether any modification is required.

The Internal Audit function develops an audit plan for the Company, which includes a mix of financial, operational, compliance and IT areas. The audit coverage includes corporate, core business operations, as well as support function. The internal audit reports and the recommended management actions are presented to the Audit Committee on a half year basis. The status of the management actions is followed by the Internal Audit function and the progress of the implementation of the action is reported to the Audit Committee on a quarterly basis.

The Company's internal financial controls are deployed through an internally evolved framework that addresses material risks in the Company's operations and financial reporting objectives, through a combination of Entity Level Controls (including Enterprise Risk Management, Legal Compliance Framework and Anti-fraud Mechanisms such as an Ethics Framework, Code of Conduct, Whistle Blower Policy, etc.), Process Controls (both manual and automated), Information Technology based controls, period end financial reporting and closing controls and Internal Audit.

VII. MEANS OF COMMUNICATION

The Board of Directors of the Company approves and takes on record the audited financial quarterly results and the results are announced to all the Stock Exchanges where the shares of the Company are listed and to various news agencies. Further, the quarterly and annual audited financial results are also published in leading newspapers within 48 hours of the conclusion of the meetings of the Board in which they are taken on record. Generally, the quarterly results are published in various editions of The Business Standard and Samyukta Karnataka-Kannada. The quarterly and annual results are hosted on the Company's website at www.mphasis.com. The website also contains a copy of presentations on the financial results of the Company. The Company's website has in it a separate page for Investor's section, wherein the financial results, shareholding pattern and share price information are hosted for the knowledge of the Investors.

In addition to the above, the Company participates in the earnings call with various Investors, Analysts and Broking Houses. The Company also makes a presentation at the Investors and Analysts meets, the particulars of which are disclosed to the Stock Exchanges before such participation, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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The recordings and transcripts of the earnings call are hosted on the Company's website for information of the Investors as required under the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Press briefings are held after important occasions viz. announcement of quarterly results, acquisition of a new entity etc. The press releases issued from time to time are informed to the Stock Exchanges where the equity shares of the Company are listed and are also hosted on the Company's website.

Social media today is identified as an important means of communication among investors, shareholders, employees and other stakeholders. Therefore, all Mphasis announcements are communicated through the corporate social pages on Twitter, LinkedIn and Facebook. Yammer is also a tool through which Mphasis communicates with its employees. In case of any emergency these channels are leveraged depending on the crisis at hand. Investors may use the following links to follow Mphasis on the social media:



<https://www.facebook.com/MphasisOfficial/>



<https://www.linkedin.com/company/mphasis>



<https://x.com/mphasis>



<https://instagram.com/mphasiscareers>



<https://www.youtube.com/@MphasisOfficial>

In line with the circulars of the Ministry of Corporate Affairs (MCA) on 'Green Initiative' allowing paperless compliances by companies, the Company serves documents like Notices, Annual Reports and other statutory communications to its shareholders through e-mail at the registered e-mail addresses. The physical copies of the Annual Report for such shareholders are sent upon request. Members are requested to note that documents sent through the electronic mode will also be available on the Company's website- www.mphasis.com. The Company would like to urge shareholders to support this initiative of the MCA and contribute towards greater sustainability by registering their e-mail addresses, if not already registered.

The financial results of the Company, shareholding pattern and the Corporate Governance Report filed with the National Stock Exchange of India Limited (NSE) and BSE Ltd. (BSE) under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are also uploaded on NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre respectively.

IX. GENERAL SHAREHOLDERS INFORMATION

(a) Details of the AGM

Day, Date & Time

Thursday, 24 July 2025 at 9.00 AM

Venue*

Bagmane World Technology center, Marathahalli Outer Ring Road, Doddanakhundi Village, Mahadevapura, Bengaluru, Karnataka - 560048.

*The Company is conducting the meeting through Video Conferencing pursuant to the General Circular issued by the Ministry of Corporate Affairs dated 19 September 2024 and Circular issued by SEBI dated 3 October 2024, hence there is no requirement for physical venue for the meeting.

Schedule of events for the voting and declaration of voting results

Events	Planned dates
Cut-off date for remote e-voting	Thursday, 17 July 2025
Commencement of remote e-voting	Saturday, 19 July 2025
Closing of the e-voting	Wednesday, 23 July 2025
Voting at AGM	Thursday, 24 July 2025
Declaration of results of voting	Friday, 25 July 2025

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Voting Results

The results declared along with the report of the Scrutinizer shall be placed on the website of the Company, www.mphasis.com and on the website of NSDL (www.evoting.nsdl.com) immediately after the declaration of the results by the Chairperson or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchanges where the shares of the Company are listed. The results shall also be displayed on the notice board of the Company at the registered office and the corporate office.

(b) Financial Calendar

Financial Year	1 April 2024 to 31 March 2025
Results Announced	24 April 2025
Record Date	9 July 2025
Book Closure Dates	10 July 2025 to 24 July 2025 (both days inclusive).
Posting of Annual Report	1 July 2025 (Latest date)
Annual General Meeting	24 July 2025
Dividend Payment Date	On or before 23 August 2025

(c) Listing

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

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

* Traded as permitted security on the exchange.

The Company has paid the listing fees for the year ending 31 March 2026.

(d) Dematerialization of Equity Shares

The Equity Shares of the Company are admitted in the following depositories of the Country under the International Securities Identification Number (ISIN) INE356A01018. This number is required to be quoted in each transaction relating to the dematerialized equity shares of the Company.

Name of the Depository	Address
National Securities Depository Limited	3rd Floor, Naman Chamber, Plot C-32, G-Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400 051
Central Depository Services (India) Limited	Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai 400013

The Company has paid the custodial charges to the respective depository participants for the year ending 31 March 2026.

The shares of the Company are available for trading only in electronic/demat form. Further, the Securities and Exchange Board of India, had vide its notification No. SEBI/LAD-NRO/ GN/2018/24 dated 8 June 2018 and a press release dated 3 December 2018, have restricted transfer of shares in physical form effective 1 April 2019.

In view of the above and considering the benefits of holding shares in electronic form, the shareholders holding physical share certificates are requested to dematerialize their holding at the earliest. As on 31 March 2025, 99.92% shareholders held 99.98% of shares in demat form.

CORPORATE GOVERNANCE

(e) Members' Profile

The shareholding pattern of the members of the Company as on 31 March 2025 is as follows:

Category	No. of shareholders	Shares held in demat form	Shares held in physical form	Total No. of shares	% to total capital
Promoter	1	7,62,99,642	-	7,62,99,642	40.14
Foreign Portfolio Investors	718	3,91,78,557	-	3,91,78,557	20.61
Alternate Investment Funds	6	1,37,338	-	1,37,338	0.07
Financial Institutions and Banks	3	2,55,269	200	2,55,469	0.13
Mutual Funds	221	4,36,18,396	-	4,36,18,396	22.95
Insurance Companies	60	2,17,85,944	-	2,17,85,944	11.46
Bodies Corporate	555	4,78,994	100	4,79,094	0.25
NBFC's registered with RBI	2	9,773	-	9,773	0.01
Non-Resident Indians	3,536	15,68,587	2,400	15,70,987	0.83
Resident Indians	1,34,678	60,79,329	38,852	61,18,181	3.22
Others	33	6,23,460	-	6,23,460	0.33
Total	139,813	19,00,35,289	41,552	19,00,76,841	100.00

(f) Distribution of Shareholding as on 31 March 2025

Category	Shareholders		Shares held	
	Number	Percentage	Number	Percentage
Upto 500	137,368	98.25	3,541,617	1.86
501 - 1000	805	0.57	609,047	0.32
1001 - 2000	415	0.30	604,857	0.32
2001 - 3000	163	0.12	415,035	0.22
3001 - 4000	102	0.07	356,277	0.19
4001 - 5000	108	0.08	492,089	0.26
5001 - 10000	213	0.15	1,556,013	0.82
10001 and above	639	0.46	182,501,906	96.01
Total	139,813	100	190,076,841	100.00

CORPORATE GOVERNANCE

(g) Details regarding the shares in the Unclaimed Suspense Account

Sno.	Particulars	No. of shareholders	No. of Shares
1	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account as of 1 April 2024	8	3000
2	Transfer of Shares to Investor Education and Protection Fund during the year, pursuant to Section 124(6) of the Companies Act, 2013 ^{refer Note}	-	-
3	Number of shareholders who approached the issuer for transfer of shares from the unclaimed suspense account during the year and the shares were subsequently transferred	-	-
4	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account as of 31 March 2025	8	3000

Note: Pursuant to Section 124 (6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shares, held by Shareholders who have not claimed dividend for the last seven consecutive years, are required to be transferred to Investor Education and Protection Fund.

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

(h) Transfer of unpaid dividend to Investor Education and Protection Fund (IEPF)

As required under Section 124(5) of the Companies Act, 2013, read with Rule 5 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the Company is required to transfer the dividend remaining unclaimed for a period of 7 years, from the date of transfer of funds to unclaimed dividend account, to the Investor Education and Protection Fund (IEPF). Further the shares in respect of which the dividend is unclaimed for a consecutive period of 7 years is also required to be transferred to IEPF.

The Company has transferred ₹ 17,31,450 being the unclaimed dividend of FY17, to IEPF on 27 September 2024. Further, the Company has also transferred 3,262 equity shares held by 45 shareholders to IEPF on 28 September 2024.

Particulars of shareholders entitled to claim the unclaimed dividends are uploaded on the Company's website www.mphasis.com and claims in respect thereof may be lodged through www.iepf.gov.in by following requisite procedures under the IEPF Rules.

The IEPF remittances liable for the next seven years with the details of unpaid dividend as at 31 March 2025 is as follows:

Financial Year to which the dividend relates	Unpaid dividend as on 31 March 2025 (₹ Million)	Due date for transfer of dividend to IEPF
2017-18	1.72	11 September 2025
2018-19	2.42	29 August 2026
2019-20	2.95	28 August 2027
2020-21	4.38	3 November 2028
2021-22	3.50	25 August 2029
2022-23	3.55	24 August 2030
2023-24	5.40	30 August 2031

The shareholders are requested to claim the unpaid dividend to avoid transfers of such dividend and applicable shares to IEPF. Mr. Sivaramakrishnan Puranam, Company Secretary, is the nodal officer appointed by the Company under IEPF Rules. The contact details of the Nodal officer are given below and is also available at <https://www.mphasis.com/home/corporate/investors.html>.

CORPORATE GOVERNANCE

(i) Furnishing of KYC by Physical Shareholders

Considering the ease of doing business for Investors in the securities market, the Securities and Exchange Board of India vide its circulars dated 3 November 2021, 16 March 2023 and 17 May 2023 mandated Investors holding securities of listed companies in physical mode to furnish PAN and Nomination (the "KYC") in the prescribed form in addition to furnishing the Bank Account and contact details of such shareholders. The shareholders holding shares in physical form are requested to refer to the communication sent by the Company earlier for detailed instructions in this regard and provide the KYC and other details to the Company's Registrar and Share Transfer Agent.

The shareholders holding shares in physical form are requested to furnish KYC and other details and also considering the benefits of holding shares electronically are advised to dematerialize their holdings at the earliest. The relevant circulars and the forms to be furnished for updating KYC and other details are available on the website of the Company at www.mphasis.com and the shareholders may also approach the compliance officer at the registered office of the Company.

(j) Issue of shares in demat mode

Securities and Exchange Board of India, vide its circular dated 25 January 2022, considering the enhanced measures to ease dealings in securities market by the Investors, has mandated listed companies to issue shares in dematerialized form only, when such shares are required to be issued pursuant to the following requests:

- i. While processing issue of duplicate securities certificate;
- ii. Claim from Unclaimed Suspense Account;
- iii. Renewal /Exchange of securities certificate, Endorsement, Sub-division/Splitting of securities certificate, Consolidation of securities certificates/folios; and
- iv. Transmission and Transposition are received from the Members of the Company holding shares in physical form.

The prescribed process for dealing with the above requests has been advised to the shareholders holding shares in physical form vide our communication. The shareholders holding shares in physical form are requested to refer to the same. In terms of the circular, the Registrar and Share Transfer Agents are required to issue a letter of confirmation upon processing of investor requests in lieu of physical share certificates and the same is required to be dematerialized by the shareholder or claimant within 120 days of the issue of letter of confirmation. In case the shareholders or claimant fails to submit a demat request within the aforesaid 120 days, the shares are required to be credited to a Suspense Escrow Demat Account opened by the Company. The Company shall issue shares from Suspense Escrow Demat Account as and when the shareholder or claimant approaches the Company.

In view of the above, we urge the shareholders holding shares in physical form to dematerialize their holdings at the earliest. Dematerialization of shares ensures quick, error-free and seamless transactions, it is a safe and convenient way to trade or invest and enables to monitor portfolio from anywhere across the Globe. It also enables faster settlement of and disbursement of corporate benefits including dividends.

The status of shares transferred to Suspense Escrow Demat Account during the year ended 31 March 2025, is as under:

Shares held in Suspense Escrow demat Account as on 1 April 2024	Nil
Shares transferred to the Suspense Escrow demat Account during the year	Nil
Shares transferred from the Suspense Escrow demat Account to claimants and shareholders	Nil
Shares held in Suspense Escrow demat Account as on 31 March 2025	Nil

CORPORATE GOVERNANCE

(k) Address for Communication

Company Contact



Mr. Sivaramakrishnan Puranam

Senior Vice President and Company Secretary

Mphasis Limited,

Bagmane World Technology Center,

Marathahalli Outer Ring Road,

Doddanakhundi Village, Mahadevapura,

Bengaluru - 560 048, India

Phone: +91 (080) 6750 1000

RTA Contact

Mr. S. Giridhar

General Manager

Integrated Registry Management Services

Private Limited (Unit: Mphasis Limited)

30, Ramana Residency,

4th Cross Sampige Road, Malleswaram,

Bengaluru - 560 003, India

Phone: +91 (080) 2346 0815-818

For and on behalf of the Board of Directors

San Francisco, USA
24 April 2025

Jan Kathleen Hier
Chairperson

CORPORATE GOVERNANCE

Compliance Certificate on Corporate Governance

To,
The Members of Mphasis Limited

I have examined the compliance of the conditions of Corporate Governance by Mphasis Limited ('the Company') for the financial year ended on 31st March 2025, as stipulated under the provisions of Companies Act, 2013 and of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V) and amendments thereof.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

I have examined the books of account and other relevant records maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company. My examination was carried out in accordance with the Guidance Note on certification of Corporate Governance (as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), issued by The Institute of Company Secretaries of India (ICSI) and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliances of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of Company.

Based on the information, explanations given to me and according to the examination of the relevant records, the representations and all material disclosures made by the Directors and the Management, the Company has complied with the provisions of Corporate Governance as stipulated under the provisions of Companies Act, 2013 SEBI (Listing Obligations and Disclosure Requirements) and Regulations, 2015 (17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V) during the year ended 31st March 2025. It is further stated that no investor grievance is pending for the said financial year as per the records of the Company.

I further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

S.P.NAGARAJAN

Company Secretary

ACS Number : 10028

CP Number : 4738

UDIN : A010028G000191000

Place : Bengaluru

Date : 24 April 2025

Peer reviewed Unit - bearing Unique Identification Number: I2002KR300400

Note: As per the guidance issued by the Institute of Company Secretaries of India (ICSI) for carrying out professional assignments, the Compliance Certificate on Corporate Governance in term of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015(17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V) was conducted by using appropriate Information Technology tools by virtual data sharing by way of the Company's cloud-based server - 'Mike Portal' to access and examine relevant documents and physical verification of records for completion of the audit.

CORPORATE GOVERNANCE

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) of Clause 10(i) of Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
MPHASIS LIMITED
Bagmane World Technology Center,
Marathahalli Outer Ring Road,
Doddanakundi Village, Mahadevapura,
Bengaluru-560048

CIN of Company : L30007KA1992PLC025294

Authorised Capital : ₹ 2,45,00,00,000/-

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **MPHASIS LIMITED** (hereinafter referred to as 'the Company'), a Company incorporated under the Companies Act, 1956 vide Corporate Identity Number (CIN) L30007KA1992PLC025294 and having its Registered Office at Bagmane World Technology Center, Marathahalli Outer Ring Road, Doddanakundi Village, Mahadevapura, Bengaluru - 560048, produced before me for issuance of this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the MCA portal - www.mca.gov.in) and on the basis of the written representation/declaration received from the directors to be taken on record by the Board of Directors and explanations furnished to me by the Company & its officers, I, hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

SL. NO.	DIN	NAME	DESIGNATION	DATE OF APPOINTMENT
1	00042261	NITIN RAKESH	MANAGING DIRECTOR	29/01/2017
2	01798942	AMIT DIXIT	DIRECTOR	01/09/2016
3	05313886	AMIT DALMIA	DIRECTOR	01/09/2016
4	07360483	JAN KATHLEEN HIER	INDEPENDENT DIRECTOR	11/12/2015
5	07593637	DAVID LAWRENCE JOHNSON	DIRECTOR	01/09/2016
6	08178748	MARSHALL JAN LUX	DIRECTOR	07/08/2018
7	05185378	PANKAJ SOOD	DIRECTOR	20/12/2021
8	08635072	KABIR MATHUR	DIRECTOR	20/12/2021
9	09380419	COURTNEY KARLAN DELLA CAVA	DIRECTOR	20/12/2021
10	09419036	MAUREEN ANNE ERASMUS	INDEPENDENT DIRECTOR	20/12/2021
11	10473127	SUNIL KUMAR GULATI	INDEPENDENT DIRECTOR	01/04/2024
12	02172725	GIRISH SRIKRISHNA PARANJPE	INDEPENDENT DIRECTOR	01/10/2024

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on the eligibility of for the appointment / continuity of every Director on the Board based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company

S.P.NAGARAJAN

Company Secretary

ACS Number : 10028

CP Number : 4738

UDIN : A010028G000191000

Place : Bengaluru

Date : 24 April 2025

Peer reviewed Unit - bearing Unique Identification Number: I2002KR300400

Note: As per the guidance issued by the Institute of Company Secretaries of India (ICSI) for carrying out professional assignments, the Certificate of Non-Disqualification of Directors in terms of Regulation 34(3) of Clause 10(i) of Part C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 was conducted by using appropriate Information Technology tools by virtual data sharing by way of the Company's cloud-based server - 'Mike Portal' to access and examine relevant documents and physical verification of records for completion of the audit.

INDEPENDENT AUDITOR'S REPORT

To the Members of Mphasis Limited Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Mphasis Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2025, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity, standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Evaluation of tax positions	
See Note 21 and 29(a) to the standalone financial statements	
The key audit matter	How the matter was addressed in our audit
<p>The Company's operations in India are subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business, including direct tax and transfer pricing matters.</p> <p>Estimating the most likely outcome of the tax litigations / demands requires significant judgement by the Company to determine the probability of tax authorities accepting a particular tax treatment for potential tax exposures thereby having an impact on related accounting and disclosures in the standalone financial statements.</p>	<p>Our audit procedures on taxation included the following:</p> <ul style="list-style-type: none">• Obtained an understanding of key tax litigations / demands and potential tax exposures.• Evaluated the design, implementation and operating effectiveness of the internal controls relating to management's assessment of the most likely outcome of tax litigations / demands, potential tax exposures and related accounting and disclosures in the standalone financial statements.• We, along with our internal tax experts:<ul style="list-style-type: none">▪ read and analyzed select key correspondences and consultations carried out by the Company including with their external tax experts for key tax litigations / demands and potential tax exposures.▪ inquired with the designated management personnel and external tax experts to evaluate key assumptions and grounds of appeal considered by the Company in estimating the most likely outcome of the tax litigations / demands and potential tax exposures in accordance with the applicable accounting standards.▪ evaluated the status of the recent tax assessments / inquiries, results of previous tax assessments, legal precedence / judicial rulings and changes in the tax environment. This is performed to assess and challenge the Company's estimate of the most likely outcome of key tax litigations / demands and potential tax exposures.▪ verified the presentation and disclosures in the standalone financial statements in compliance with the applicable accounting standards.

INDEPENDENT AUDITOR'S REPORT (Continued)

Other Information

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

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

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

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

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

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

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

INDEPENDENT AUDITOR'S REPORT (Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2.A As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matter stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 31 March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

- a. The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its standalone financial statements - Refer Note 17(b), 21 and 29 to the standalone financial statements.
- b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 17(b) to the standalone financial statements.
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- d. i. The management has represented that, to the best of its knowledge and belief, other than as disclosed in Note 37(b) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries"); or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

INDEPENDENT AUDITOR'S REPORT (Continued)

- ii. The management has represented that, to the best of its knowledge and belief, as disclosed in Note 37(b) to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries"); or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- iii. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- As stated in Note 41 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the current year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- f. Based on our examination which included test checks, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software.
- Further, where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with. Additionally, where audit trail (edit log) facility was enabled in the previous year, the audit trail has been preserved by the Company as per the statutory requirements for record retention.
- c. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- B. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **BSR & Co. LLP**

Chartered Accountants

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

Arjun Ramesh

Partner

Membership No.: 218495

ICAI UDIN:25218495BMOQAQ3765

Place: Bengaluru

Date: 24 April 2025

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Mphasis Limited for the year ended 31 March 2025

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering information technology services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided security or granted any loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties during the year. The Company has made investments in companies and other parties during the year, in respect of which the requisite information is as below. The Company has not made any investments in any firms and limited liability partnerships during the year. The Company has provided guarantees to companies during the year, in respect of which the requisite information is as below. The Company has not provided guarantees to firms, limited liability partnerships and other parties during the year. The Company has granted unsecured advances in the nature of loans to other parties during the year, in respect of which the requisite information is as below. The Company has not granted any secured advances in the nature of loans to other parties during the year. The Company has not granted advances in the nature of loans, secured or unsecured to any companies, firms and limited liability partnerships during the year.
- (a) (A) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided guarantees to subsidiaries as below. The Company does not hold any investment in any joint ventures or associates.

Particulars	Guarantees (Rs. in millions)
Aggregate amount during the year	
- Subsidiaries	10,563.81
Balance outstanding as at balance sheet date	
- Subsidiaries	10,305.31

- (a) (B) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted advances in the nature of loans to other parties as below. The Company does not hold any investment in any joint ventures or associates.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Mphasis Limited for the year ended 31 March 2025 (Continued)

Particulars	Advances in nature of loans - Employee advances (Rs. in millions)
Aggregate amount during the year	
- Other parties	354.22
Balance outstanding as at balance sheet date	
- Other parties	305.84

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided during the year and the terms and conditions of the grant of advances in the nature of loans during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of interest free advances in the nature of loans given, the repayment of principal has been stipulated and the repayments or receipts have been regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans and advances in the nature of loans given.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 ("the Act"). In respect of the guarantees provided and investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with. The Company has not granted any loans or provided any security as specified under Section 186 of the Act.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services rendered by the Company.. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess and other statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service tax, Duty of Customs, Duty of excise, Value added tax or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Mphasis Limited for the year ended 31 March 2025 (Continued)

Name of the statute	Nature of the dues	Amount* (Rs. in millions)	Period to which the amount relates (Financial year)	Forum where dispute is pending
Income Tax Act, 1961	Income tax	1,557.32	2006-07, 2008-09 to 2010-11 and 2012-13	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	11,328.52	2004-05, 2009-10, 2011-12, 2013-14 to 2015-16, 2017-18, 2019-20 to 2020-2021	Commissioner of Income Tax, Appeals
Income Tax Act, 1961	Income tax	-	2004-05 and 2005-06	Supreme Court
Income Tax Act, 1961	Income tax	14,196.78	2016-17 and 2021-22	High Court
Income Tax Act, 1961**	Withholding taxes	3,388.24	2008-09 to 2011-12	Income Tax Appellate Tribunal
Income Tax Act, 1961**	Withholding taxes	5,388.50	2007-08, 2008-09, 2012-13 to 2018-19	Commissioner of Income Tax, Appeals
Finance Act, 1994	Service Tax	2.60	2010-11	CESTAT, Karnataka
Goods and Services Tax Act, 2017	Goods and Service Tax	101.73	2017-18	Joint commissioner, GST East commissionerate
Goods and Services Tax Act, 2017	Goods and Service Tax	146.01	2017-18 to 2020-21	Deputy commissioner of commercial tax
Finance Act, 1994	Service tax	18.74	October 2011 to March 2015	Commissioner (Appeals), Karnataka
Tennessee Sales and Use Tax Regulations, USA	Sales and Use Tax	486.37	December 2011 to April 2015	Department of Revenue, Tennessee
Provident Fund Act, 1952	Provident Fund	287.83	April 2017 to March 2019	Department of PF

* Net of amounts paid under protest amounting to Rs. 1,771 million.

** Against these demands, the Company has furnished bank guarantees amounting to Rs. 6,180.63 million.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, as defined in the Act. The Company does not hold any investment in any associate or joint venture (as defined in the Act) during the year ended 31 March 2025.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the year.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Mphasis Limited for the year ended 31 March 2025 (Continued)

- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
(b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
(d) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in annual report is expected to be made available to us after the date of this auditor's report.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP

Chartered Accountants

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

Arjun Ramesh

Partner

Membership No.: 218495

ICAI UDIN:25218495BMOPAQ3765

Place: Bengaluru

Date: 24 April 2025

Annexure B to the Independent Auditor's Report on the standalone financial statements of Mphasis Limited for the year ended 31 March 2025

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

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

Opinion

We have audited the internal financial controls with reference to financial statements of Mphasis Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Annexure B to the Independent Auditor's Report on the standalone financial statements of Mphasis Limited for the year ended 31 March 2025

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For B S R & Co. LLP

Chartered Accountants

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

Arjun Ramesh

Partner

Membership No.: 218495

ICAI UDIN:25218495BMOPAQ3765

Place: Bengaluru

Date: 24 April 2025

STANDALONE FINANCIAL STATEMENTS

STANDALONE BALANCE SHEET

(₹ million)

	Notes	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,202.29	1,257.44
Capital work-in-progress	3	1.82	136.63
Right-of-use assets	4	4,974.55	5,545.94
Other intangible assets	5	12.05	20.03
Financial assets			
Investments	6	21,579.33	14,383.72
Trade receivables	10	1,111.13	1,971.17
Other financial assets	7	762.40	630.99
Deferred tax assets (net)	21	887.60	833.17
Other tax assets (net)	21	5,467.75	4,843.60
Other assets	8	349.37	463.11
Total non-current assets		36,348.29	30,085.80
Current assets			
Financial assets			
Investments	9	14,886.34	18,105.30
Trade receivables	10	18,030.42	17,752.62
Cash and cash equivalents	11	6,530.19	4,094.62
Bank balances other than cash and cash equivalents	12	367.20	94.24
Loans	13	305.84	240.04
Other financial assets	7	2,278.06	1,792.68
Other assets	8	3,719.94	4,073.59
Total current assets		46,117.99	46,153.09
TOTAL ASSETS		82,466.28	76,238.89

STANDALONE FINANCIAL STATEMENTS

STANDALONE BALANCE SHEET

(₹ million)

	Notes	As at 31 March 2025	As at 31 March 2024
EQUITY AND LIABILITIES			
EQUITY			
Share capital	14	1,900.84	1,890.05
Other equity	15	61,089.02	55,319.71
Total equity		62,989.86	57,209.76
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities		4,669.53	5,367.45
Other financial liabilities	16	55.79	60.46
Total non-current liabilities		4,725.32	5,427.91
Current liabilities			
Financial liabilities			
Borrowings	19	-	-
Lease liabilities		1,333.54	1,154.54
Trade payables	20		
- outstanding dues to micro and small enterprises		31.03	20.71
- outstanding dues to creditors other than micro and small enterprises		5,272.74	4,896.11
Other financial liabilities	16	4,110.97	2,799.58
Other liabilities	18	825.69	1,043.58
Provisions	17	1,549.15	1,265.05
Current tax liabilities (net)	21	1,627.98	2,421.65
Total current liabilities		14,751.10	13,601.22
TOTAL EQUITY AND LIABILITIES		82,466.28	76,238.89

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

As per our report of even date attached.

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

Chartered Accountants

ICAI Firm registration number:

101248W/W-100022

Arjun Ramesh

Partner

Membership No. 218495

Bengaluru

24 April 2025

for and on behalf of the Board of Directors

Nitin Rakesh

Chief Executive Officer & Managing Director

DIN: 00042261

New York

Aravind Viswanathan

Chief Financial Officer

New York

24 April 2025

Maureen Anne Erasmus

Director

DIN: 09419036

London

Sivaramakrishnan

Puranam

Senior Vice President &

Company Secretary

Bengaluru

STANDALONE FINANCIAL STATEMENTS

STANDALONE STATEMENT OF PROFIT AND LOSS

(₹ million)

	Notes	Year ended 31 March 2025	Year ended 31 March 2024
Income			
Revenue from operations	22	92,710.47	90,929.71
Other income	23	1,784.79	1,352.75
Total income (I)		94,495.26	92,282.46
Expenses			
Employee benefits expense	24	28,140.85	27,604.73
Finance costs	25	744.56	660.90
Depreciation and amortization expense	26	1,893.90	1,928.75
Other expenses	27	43,611.86	41,706.82
Total expenses (II)		74,391.17	71,901.20
Profit before tax (III) [(I)-(II)]		20,104.09	20,381.26
Tax expense	21		
Current tax		4,735.85	5,616.54
Deferred tax		43.39	303.35
Total tax expenses		4,779.24	5,919.89
Profit for the year (A)		15,324.85	14,461.37
Other comprehensive income ('OCI')			
Items not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains / (losses) on defined employee benefit plans		(97.66)	168.89
Income tax effect on the above		24.58	(74.75)
Items to be reclassified to profit or loss in subsequent periods			
Net change in fair value of derivatives designated as cash flow hedges		(294.32)	1,204.07
Income tax effect on fair value of derivatives designated as cash flow hedges		74.08	(390.76)
Net change in fair value of investments in debt instruments carried at fair value through OCI		3.32	0.18
Income tax effect on fair value of investments in debt instruments		(0.84)	(0.32)
Total OCI / (losses) for the year, net of tax (B)		(290.84)	907.31
Total comprehensive income for the year (A+B)		15,034.01	15,368.68
Earnings per equity share (par value ₹ 10 per share)	28		
Basic (₹)		80.92	76.65
Diluted (₹)		80.45	76.11

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

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

Arjun Ramesh
Partner
Membership No. 218495

Bengaluru
24 April 2025

for and on behalf of the Board of Directors

Nitin Rakesh
Chief Executive Officer & Managing Director
DIN: 00042261
New York

Aravind Viswanathan
Chief Financial Officer

New York
24 April 2025

Maureen Anne Erasmus
Director
DIN: 09419036
London

Sivaramakrishnan Puranam
Senior Vice President &
Company Secretary
Bengaluru

STANDALONE FINANCIAL STATEMENTS

STANDALONE STATEMENT OF CHANGES IN EQUITY

a. Equity share capital

Equity shares of ₹ 10 each issued, subscribed and fully paid	No. in million	₹ million
As at 1 April 2024	189.00	1,890.05
Changes in equity share capital due to prior period errors	-	-
Restated balance as at 1 April 2024	189.00	1,890.05
Issue of shares (refer note 14)	1.08	10.79
As at 31 March 2025	190.08	1,900.84
As at 1 April 2023	188.40	1,884.07
Changes in equity share capital due to prior period errors	-	-
Restated balance as at 1 April 2023	188.40	1,884.07
Issue of shares (refer note 14)	0.60	5.98
As at 31 March 2024	189.00	1,890.05

b. Other equity

(₹ million)

	Attributable to the equity owners of the Company									Total
	Reserves and surplus							Items of OCI		
	a	b	c	d	e	f	g	h	i	
	Securities premium	General reserve	Retained earnings	Capital reserve	Capital redemption reserve	Special Economic Zone re-investment reserve	Share based payments reserve	Cash flow hedging reserve	Investments in debt instruments	
As at 1 April 2024	2,432.99	2,047.96	46,630.10	265.16	246.91	936.37	2,532.56	229.59	(1.93)	55,319.71
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance as at 1 April 2024	2,432.99	2,047.96	46,630.10	265.16	246.91	936.37	2,532.56	229.59	(1.93)	55,319.71
Profit for the year	-	-	15,324.85	-	-	-	-	-	-	15,324.85
Other comprehensive income / (losses), net of tax	-	-	(73.08)	-	-	-	-	(220.24)	2.48	(290.84)
Total comprehensive income for the year	-	-	15,251.77	-	-	-	-	(220.24)	2.48	15,034.01
Transactions with owners of the Company										
Dividends	-	-	(10,400.91)	-	-	-	-	-	-	10,400.91
Issue of shares on exercise of stock options (refer note 14)	1,271.04	52.98	-	-	-	-	(759.33)	-	-	564.69
Allotment of bonus shares earlier held in abeyance	-	-	(0.01)	-	-	-	-	-	-	(0.01)
Total contributions and distributions	1,271.04	52.98	(10,400.92)	-	-	-	(759.33)	-	-	(9,836.23)
Transferred from Special Economic Zone re-investment reserve	-	-	267.54	-	-	(267.54)	-	-	-	-
Share based expenses	-	-	-	-	-	-	571.53	-	-	571.53
As at 31 March 2025	3,704.03	2,100.94	51,748.49	265.16	246.91	668.83	2,344.76	9.35	0.55	61,089.02

STANDALONE FINANCIAL STATEMENTS

STANDALONE STATEMENT OF CHANGES IN EQUITY (Continued)

	Attributable to the equity owners of the Company									Total
	Reserves and surplus							Items of OCI		
	a	b	c	d	e	f	g	h	i	
	Securities premium	General reserve	Retained earnings	Capital reserve	Capital redemption reserve	Special Economic Zone re-investment reserve	Share based payments reserve	Cash flow hedging reserve	Investments in debt instruments	
As at 1 April 2023	1,773.19	2,025.91	40,227.62	265.16	246.91	2,211.97	2,037.64	(583.72)	(1.79)	48,202.89
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance as at 1 April 2023	1,773.19	2,025.91	40,227.62	265.16	246.91	2,211.97	2,037.64	(583.72)	(1.79)	48,202.89
Profit for the year	-	-	14,461.37	-	-	-	-	-	-	14,461.37
Other comprehensive income / (losses), net of tax	-	-	94.14	-	-	-	-	813.31	(0.14)	907.31
Total comprehensive income for the year	-	-	14,555.51	-	-	-	-	813.31	(0.14)	15,368.68
Transactions with owners of the Company										
Dividends	-	-	(9,428.63)	-	-	-	-	-	-	(9,428.63)
Issue of shares on exercise of stock options (refer note 14)	659.80	22.05	-	-	-	-	(386.76)	-	-	295.09
Total contributions and distributions	659.80	22.05	(9,428.63)	-	-	-	(386.76)	-	-	(9,133.54)
Transferred to Special Economic Zone re-investment reserve	-	-	1,275.60	-	-	(1,275.60)	-	-	-	-
Share based payments	-	-	-	-	-	-	881.68	-	-	881.68
As at 31 March 2024	2,432.99	2,047.96	46,630.10	265.16	246.91	936.37	2,532.56	229.59	(1.93)	55,319.71

Gain/(loss) of ₹ (73.08) and ₹ 94.14 on re-measurement of defined employee benefit plans (net of tax) is recognised as part of retained earnings for the year ended 31 March 2025 and 31 March 2024, respectively.

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

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

STANDALONE FINANCIAL STATEMENTS

STANDALONE STATEMENT OF CHANGES IN EQUITY (Continued)

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

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

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

Arjun Ramesh
Partner
Membership No. 218495

Bengaluru
24 April 2025

for and on behalf of the Board of Directors

Nitin Rakesh
Chief Executive Officer & Managing Director
DIN: 00042261
New York

Aravind Viswanathan
Chief Financial Officer

New York
24 April 2025

Maureen Anne Erasmus
Director
DIN: 09419036
London

Sivaramakrishnan Puranam
Senior Vice President &
Company Secretary
Bengaluru

STANDALONE FINANCIAL STATEMENTS

STANDALONE STATEMENT OF CASH FLOWS

(₹ million)

	Year ended 31 March 2025	Year ended 31 March 2024
Operating activities		
Profit before tax	20,104.09	20,381.26
Adjustments to reconcile profit before tax to net cash provided by operating activities:		
Depreciation and amortization expense	1,893.90	1,928.75
Profit on sale of property, plant and equipment and intangible assets	(17.49)	(18.35)
Net gain on investments carried at fair value through profit and loss	(968.31)	(718.09)
Share based payment expenses	103.93	183.68
Provision/(reversal) for expected credit loss	264.47	(217.14)
Finance costs	744.56	660.90
Interest income	(381.14)	(232.10)
Gain on lease modifications	(24.95)	(32.36)
Unrealized exchange (gain) / loss, net	229.38	(39.77)
Operating profit before changes in operating assets and liabilities	21,948.44	21,896.78
Changes in operating assets and liabilities		
Trade receivables	131.39	1,110.58
Loans	(65.80)	(77.20)
Other financial assets	(283.80)	906.42
Other assets	467.39	2,824.26
Trade payables	386.95	(1,763.04)
Other financial liabilities	1,154.37	(120.36)
Other liabilities	(217.89)	41.09
Provisions	186.44	(99.25)
Total changes in operating assets and liabilities	1,759.05	2,822.50
Income tax paid (net of refunds)	(6,050.19)	(5,396.41)
Net cash flows generated from operating activities (A)	17,657.30	19,322.87

STANDALONE FINANCIAL STATEMENTS

STANDALONE STATEMENT OF CASH FLOWS (Continued)

(₹ million)

	Year ended 31 March 2025	Year ended 31 March 2024
Investing activities		
Purchase of property, plant and equipment and intangible assets	(384.40)	(534.87)
Proceeds from sale of property, plant and equipment and intangible assets	21.96	23.54
Purchase of investments	(82,867.71)	(66,958.44)
Sale of investments	86,629.99	56,102.95
Loans repaid by related party	-	1,478.53
Interest received	81.10	155.62
Investments in bank deposits	(278.22)	(2.75)
Investment in subsidiary	(6,664.09)	-
Redemption / maturity of bank deposits	12.30	0.45
Net cash flows used in investing activities (B)	(3,449.07)	(9,734.97)
Financing activities		
Proceeds from issue of shares	575.47	301.07
Repayment of borrowings	(3,200.00)	(3,200.00)
Availment of borrowings	3,200.00	2,200.00
Interest paid	(262.86)	(189.77)
Repayment of lease liabilities	(1,202.58)	(1,049.16)
Interest on repayment of lease liabilities	(481.70)	(485.17)
Dividends paid	(10,400.99)	(9,427.14)
Net cash flows used in financing activities (C)	(11,772.66)	(11,850.17)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	2,435.57	(2,262.27)
Cash and cash equivalents at the beginning of the year	4,094.62	6,356.89
Cash and cash equivalents at the end of the year	6,530.19	4,094.62

Refer note 4 & 19 for supplementary information on cash flow movements

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

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

Arjun Ramesh
Partner
Membership No. 218495

Bengaluru
24 April 2025

for and on behalf of the Board of Directors

Nitin Rakesh
Chief Executive Officer & Managing Director
DIN: 00042261
New York

Aravind Viswanathan
Chief Financial Officer

New York
24 April 2025

Maureen Anne Erasmus
Director
DIN: 09419036
London

Sivaramakrishnan Puranam
Senior Vice President &
Company Secretary
Bengaluru

STANDALONE FINANCIAL STATEMENTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Mphasis Limited ('the Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The shares of the Company are listed on two recognised stock exchanges in India. The registered office of the Company is in Bengaluru, India.

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

The standalone financial statements for the year ended 31 March 2025 have been approved by the Board of Directors on 24 April 2025.

The standalone financial statements comprise the financial statements of the Company and its controlled employee benefit trusts.

Mphasis Limited is the sponsoring entity of Employee Stock Option Plan ('ESOP') trusts. Management of the Company can appoint and remove the trustees and provide funding to the trust for buying the shares. Basis assessment by the management, it believes that the ESOP trusts are designed to be controlled by the Company as an extension arm of the Company and are hence included in these standalone financial statements.

List of Trusts that are consolidated.

- Mphasis Employees Benefit Trust.
- Mphasis Employees Equity Reward Trust.

Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 ("Act") read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), presentation requirements of Division II of Schedule III to the Act and other relevant provisions of the Act.

2. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation

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

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

The standalone financial statements are presented in INR ('₹') and all the values are rounded off to the nearest million (INR 000,000) except when otherwise indicated.

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

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

Use of estimates, assumptions and judgements

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Judgements

- **Revenue recognition (Note 2.1, 22)**
Determination of transaction price; identification of performance obligations and allocation of transaction price; recognition of revenue from performance obligations over time or at a point in time; revenue recognition relating to variable consideration arrangements; recognition of contract fulfilment cost and contract acquisition cost.
- **Leases (Note 2.4, 4)**
Assessment of whether or not an arrangement contains a lease, whether the Company is reasonably certain to exercise extension options.

Estimates and assumptions:

- **Revenue recognition for fixed price contracts using percentage of completion method (Note 2.1, 22)**
Estimate of balance to go cost of efforts.
- **Property, plant, and equipment and other intangible assets (Note 2.3, 3,5)**
Useful life of property, plant and equipment and other intangible assets.
- **Leases (Note 2.4, 4)**
Determination of applicable discount rate.
- **Impairment of investment in subsidiaries (Note 2.6)**
Recoverable amount.
- **Fair value measurement of financial instruments (Note 2.7, 35)**
Unobservable sources for inputs to determine the fair value.
- **Defined benefit plans (Note 2.8, 34)**
Key actuarial assumptions.
- **Taxes (Note 2.11, 21)**
Estimating the most likely outcome of uncertain tax positions; availability of future taxable income against which deductible temporary differences can be utilized.
- **Expected credit loss ('ECL') on trade receivables (Note 10)**
Key assumptions in determining the weighted-average loss rate.
- **Provisions and contingent liabilities (Note 2.12, 17, 29)**
Key assumptions about the likelihood and magnitude of an outflow of resources.

2.1 Revenue recognition

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

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

- Revenue from rendering application development and maintenance services comprise income from time-and-material, fixed monthly billings and milestone-based fixed price contracts. Revenues from call center, business & knowledge process outsourcing operations and infrastructure outsourcing services arise from time-based, unit-priced, fixed monthly billings and milestone-based fixed priced contracts.
- Revenue from time and material, unit-priced contracts is recognized on an output basis, measured by units delivered, efforts expended etc.
- Revenue from fixed price contracts is recognized using the percentage-of-completion method, calculated as the proportion of the cost of efforts incurred up to the reporting date to estimated cost of total efforts.
- Fixed Bid monthly milestone-based recognition – The practical expedient of revenue equals invoicing is applied as the amounts invoiced directly correspond with the value transferred to the customer.
- Revenue from fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognized based on time elapsed mode and revenue is straight-lined over the period of performance.
- Revenue from license transactions where customers are given a right to use intellectual property are recognised upfront at the point in time when the license is delivered to the customer, simultaneously with the transfer of control.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

- Revenue from bundled contracts is recognized separately for each performance obligation based on their allocated transaction price (net of variable consideration).
- In cases where implementation and / or customisation services rendered significantly modifies or customises the license, these services and license are accounted for as a single performance obligation and revenue is recognised over time using the percentage-of-completion method, calculated as the proportion of the cost of effort incurred up to the reporting date to estimated cost of total efforts.

The solutions offered by the Group may include supply of third-party equipment or software. In such cases, revenue for supply of such third-party goods are recorded at gross either the Group obtains control of the specified goods or services before it is transferred to the customer or based on a comprehensive evaluation of indicators such as primary obligor, inventory risk, credit risk and pricing latitude. In other cases, revenue is recognised on a net basis.

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

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

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

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

Use of significant judgements in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple goods and services to a customer. The Company assesses the goods / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of consideration from the customer or variable consideration with elements such as volume discounts, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. The Company has applied the practical expedient provided by Ind AS 115, whereby the Company does not adjust the transaction price for the effects of the time value of money where the period between when the control on goods and services transferred to the customer and when payment thereof is due, is one year or less. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct good or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct good or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost-plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how a customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such good or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

- Use of the percentage-of completion method in accounting for revenue from fixed-price contracts requires the Company to exercise judgement in estimating the balance-to-go cost of efforts. Cost of efforts expended to date as a proportion of the total cost of efforts to be expended is used as a measure to determine the percentage-of completion. Cost of efforts expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.
- Contract fulfilment costs are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular, when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.
- Contract acquisition costs are generally expensed as incurred except for certain costs which meet the criteria for capitalization, in particular if such costs are expected to be recovered. Contract acquisition costs are amortized over the contract term, consistent with the pattern of transfer of goods or services to which the asset relates.

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

2.2 Other income

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

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

2.3 Property, plant and equipment and intangible assets

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

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

Intangible assets purchased are measured at cost or fair value as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any. The amortization period and the amortization method are reviewed at least at each financial year end. Internally developed intangible assets are stated at cost that can be measured reliably during the development phase and capitalised when it is probable that future economic benefits that are attributable to the assets will flow to the Company.

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

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

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

Depreciation and amortization

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

The useful lives estimated by management are given below:

(In Years)

Asset	Useful life as per Companies Act, 2013	Useful life estimated by management
Computer equipment	3	3
Furniture and fixtures	10	5
Buildings	20	20 or remaining lease term whichever is less
Lease hold improvements	Not Applicable	10 or remaining lease term whichever is less
Office equipment	5	2 to 5
Plant and equipment	15	4 to 7
Server and networks	6	6
Vehicles	8	5
Computer software	Not Applicable	3 to 7

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

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

2.4 Leases

Company as a lessee

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

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

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

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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

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

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

Company as a lessor

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

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

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

2.5 Investments in subsidiaries

Investment in equity instruments of subsidiaries are measured at cost less impairment, if any.

2.6 Impairment

a. Financial assets (other than at fair value)

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

b. Non-financial assets

• Tangible and intangible assets

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

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

• Investment in subsidiaries

The Company assesses investments in subsidiaries for impairment whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the investment in subsidiary. The recoverable amount of such investment is the higher of its fair value less cost of disposal ('FVLCD') and its value-in-use ('VIU'). The VIU of the investment is calculated using projected future cash flows. If the recoverable amount of the investment is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the standalone statement of profit and loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

2.7 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments consist of the following:

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

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

Financial assets – Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

a. Cash and cash equivalents

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

b. Financial assets at amortised cost

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

c. Financial assets at fair value through other comprehensive income

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

d. Financial assets at fair value through profit or loss

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

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

e. Financial liabilities

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

Derivative financial instruments

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

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

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

a. Cash flow hedges

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

b. Others

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

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

Offsetting of financial instruments

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

Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When a quote is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

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

Fair value hierarchy

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

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

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

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

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

De-recognition of financial instruments

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

2.8 Employee benefits

a. Short-term employee benefits

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

b. Compensated absences

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

c. Defined contribution plans

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

d. Provident fund

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

e. Gratuity

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

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

2.9 Share based payments

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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

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

2.10 Foreign Currencies Transactions and balances

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

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

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

2.11 Income taxes

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

- **Current income tax**

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

- **Deferred income tax**

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

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

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

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

2.12 Provisions and contingent liabilities

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow embodying economic benefits of resources will be required to settle the obligation. Provisions are determined based on best estimates required to settle each obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

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

2.13 Earnings per share

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

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

2.14 Cash dividend to the equity holders of the Company

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

Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. As at 31 March 2025, MCA has not notified any new standards or amendments to the existing standards which are applicable to the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT

(₹ million)

	Plant and equipment	Computer equipment	Servers and networks	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvements	Total
Cost								
At 1 April 2023	158.55	2,020.36	710.29	255.75	138.90	11.59	758.39	4,053.83
Additions	31.41	64.41	120.50	45.69	27.09	-	171.87	460.97
Disposals/ written off	(23.37)	(30.04)	(69.89)	(2.48)	(2.68)	-	(11.45)	(139.91)
Translation exchange differences	-	0.16	0.32	0.08	0.02	(0.01)	(0.02)	0.55
At 31 March 2024	166.59	2,054.89	761.22	299.04	163.33	11.58	918.79	4,375.44
Additions	43.00	67.56	98.86	48.02	27.29	7.03	206.99	498.75
Disposals/ written off	(11.12)	(61.25)	(5.68)	(6.96)	(9.50)	-	(21.14)	(115.65)
Translation exchange differences	0.05	0.29	0.60	0.16	0.01	-	-	1.11
At 31 March 2025	198.52	2,061.49	855.00	340.26	181.13	18.61	1,104.64	4,759.65
Depreciation								
At 1 April 2023	99.98	1,452.81	428.25	179.27	97.52	11.59	337.15	2,606.57
Charge for the year	19.72	369.19	95.44	40.18	23.48	-	97.98	645.99
Disposals/ written off	(22.68)	(30.04)	(65.53)	(2.47)	(2.54)	-	(11.45)	(134.71)
Translation exchange differences	(0.02)	0.11	0.05	0.01	0.02	(0.01)	(0.01)	0.15
At 31 March 2024	97.00	1,792.07	458.21	216.99	118.48	11.58	423.67	3,118.00
Charge for the year	25.82	230.97	108.12	38.58	19.90	0.38	126.27	550.04
Disposals/ written off	(10.45)	(60.93)	(4.92)	(6.44)	(8.34)	-	(20.10)	(111.18)
Translation exchange differences	0.03	0.13	0.25	0.08	0.01	-	-	0.50
At 31 March 2025	112.40	1,962.24	561.66	249.21	130.05	11.96	529.84	3,557.36
Net block								
At 31 March 2024	69.59	262.82	303.01	82.05	44.85	-	495.12	1,257.44
At 31 March 2025	86.12	99.25	293.34	91.05	51.08	6.65	574.80	1,202.29
Capital work-in-progress*								
At 31 March 2025								1.82
At 31 March 2024								136.63

* ₹ 136.63 (31 March 2024: ₹ 43.35) has been capitalised and transferred to Property, Plant & Equipment.

CWIP Ageing schedule

Particulars (31 March 2025)	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	1.82	-	-	-	1.82
	1.82	-	-	-	1.82
Particulars (31 March 2024)	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	136.63	-	-	-	136.63
	136.63	-	-	-	136.63

There are no assets which are in capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2025 and 31 March 2024.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

4. LEASES

RIGHT-OF-USE ASSETS

(₹ million)

	Buildings	Plant and equipment	Servers and networks	Furniture and fixtures	Vehicles	Total
Cost						
At 1 April 2023	7,634.04	2.32	0.12	0.77	50.03	7,687.28
Additions	1,616.35	-	-	-	-	1,616.35
Modifications / terminations	(148.63)	-	-	-	(3.40)	(152.03)
Retirement on completion of lease term	-	(2.32)	(0.12)	(0.77)	(1.88)	(5.09)
Translation exchange differences	2.51	-	-	-	0.15	2.66
At 31 March 2024	9,104.27	-	-	-	44.90	9,149.17
Additions	818.55	-	-	-	8.15	826.70
Modifications / terminations	(184.34)	-	-	-	(19.42)	(203.76)
Retirement on completion of lease term	(630.76)	-	-	-	(8.08)	(638.84)
Translation exchange differences	4.23	-	-	-	0.47	4.70
At 31 March 2025	9,111.95	-	-	-	26.02	9,137.97
Depreciation						
At 1 April 2023	2,404.60	2.27	0.12	0.77	17.34	2,425.10
Charge for the year	1,250.89	0.05	-	-	11.65	1,262.59
Modifications / terminations	(77.29)	-	-	-	(2.71)	(80.00)
Retirement on completion of lease term	-	(2.32)	(0.12)	(0.77)	(1.88)	(5.09)
Translation exchange differences	0.59	-	-	-	0.04	0.63
At 31 March 2024	3,578.79	-	-	-	24.44	3,603.23
Charge for the year	1,316.37	-	-	-	9.51	1,325.88
Modifications / terminations	(117.02)	-	-	-	(11.74)	(128.76)
Retirement on completion of lease term	(630.76)	-	-	-	(8.08)	(638.84)
Translation exchange differences	1.71	-	-	-	0.20	1.91
At 31 March 2025	4,149.09	-	-	-	14.33	4,163.42
Net block						
At 31 March 2024	5,525.48	-	-	-	20.46	5,545.94
At 31 March 2025	4,962.86	-	-	-	11.69	4,974.55

During the year ended 31 March 2025, the Company incurred expenses amounting to ₹ 4.2 million (31 March 2024: ₹ 12.66 million) towards short-term leases and leases of low-value assets. For the year ended 31 March 2025, the total cash outflows for leases, including short-term leases and low-value assets amounted to ₹ 1,688.48 million (31 March 2024: ₹ 1,546.99 million).

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

The following table presents the various components of lease costs:

	Year ended 31 March 2025	Year ended 31 March 2024
Depreciation	1,325.88	1,262.59
Interest on lease liabilities	481.70	485.17
	1,807.58	1,747.76

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

4. LEASES (Continued)

The Company has also subleased office space under cancellable operating lease agreements. The total sublease rental income under cancellable operating leases amounted to ₹ 64.49 million for the year ended 31 March 2025 (31 March 2024: ₹ 63.8 million).

	(₹ million)	
	Year ended 31 March 2025	Year ended 31 March 2024
Lease liabilities		
Balance as per previous financial statements	6,521.99	6,115.25
Additions	783.61	1,558.67
Deletions	(99.95)	(102.77)
Interest expense	481.70	485.17
Repayment of lease liabilities including interest	(1,684.28)	(1,534.33)
Closing balance	6,003.07	6,521.99

5. OTHER INTANGIBLE ASSETS

	As at 31 March 2025	As at 31 March 2024
Computer Software		
Cost		
Balance as per previous financial statements	454.01	450.22
Additions	10.00	3.84
Disposals	(17.00)	(0.04)
Translation exchange differences	0.02	(0.01)
	447.03	454.01
Amortization		
Balance as per previous financial statements	433.98	413.87
Amortization	17.98	20.17
Disposals	(17.00)	(0.04)
Translation exchange differences	0.02	(0.02)
	434.98	433.98
Net block	12.05	20.03

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

6. NON-CURRENT INVESTMENTS

	As at 31 March 2025			As at 31 March 2024		
	Shares	Par value Per share	₹ million	Shares	Par value Per share	₹million
Investments measured at cost						
Investments in unquoted equity instruments						
Investments in subsidiaries						
Mphasis Corporation	3,187	US \$ 0.01	3,724.38	3,187	US \$ 0.01	3,724.38
Mphasis Australia Pty Limited	2,000	AUD 1	0.05	2,000	AUD 1	0.05
Mphasis Consulting Limited	7,953,393	€ 0.002	685.65	7,953,393	€ 0.002	685.65
Mphasis Ireland Limited	10,000	€ 1	0.59	10,000	€ 1	0.59
Mphasis Belgium BV	62	€ 100	0.39	62	€ 100	0.39
Mphasis Poland s.p.z.o.o.	200	PLN 500	2.07	200	PLN 500	2.07
Mphasis Lanka Private Limited	1,095,584	LKR112.10	55.78	1,095,584	LKR112.10	55.78
Less: Provision for impairment in value of investment			(55.78)			(55.78)
PT Mphasis Indonesia	99,000	US \$ 1	4.38	99,000	US \$ 1	4.38
Less: Provision for impairment in value of investment			(4.38)			(4.38)
Mphasis Deutschland GmbH (Nominal capital of 91,000 Deutsche Mark)	-	-	2.52	-	-	2.52
Less: Provision for impairment in value of investment			(2.52)			(2.52)
Mphasis (Shanghai) Software & Services Company Limited (100% equity interest)	-	-	105.35	-	-	105.35
Mphasis Europe BV	5,198,779	€ 1	1,6311.72	3,381,654	€ 1	9,647.64
Investment in subsidiaries (A)			20,830.20			14,166.12
	Units	NAV (₹)	₹ million	Units	NAV (₹)	₹ million
Investments measured at FVTPL						
Investments measured at amortized cost						
8.3333% HDB Financial Services Ltd 06 Aug 2027	2,500	106,246.47	265.62	-	-	-
7.9050% Tata Capital Ltd 03 DEC 2026	2,500	105,250.58	263.13	-	-	-
Investments measured at FVTOCI						
Quoted State Development Loans						
7.19% Gujarat State Development Loan 25JAN27	219	1,007,906.00	220.38	219	995,193.00	217.60
Investments other than subsidiaries (B)			749.13			217.60
Total non-current investments (A+B)			21,579.33			14,383.72
Aggregate value of unquoted non-current investments in subsidiaries			20,892.88			14,228.80
Aggregate amount of impairment in value of investments in subsidiaries			(62.68)			(62.68)
Aggregate value of quoted non-current investments			749.13			217.60
Market value of quoted non-current investments			749.26			217.60

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

7. OTHER FINANCIAL ASSETS

(₹ million)

	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Unsecured - considered good				
Bank deposits (refer note 12)*	0.18	0.23	5.17	12.15
Accrued interest	-	-	0.52	1.34
Recoverable from subsidiaries (refer note 30)	-	-	895.09	281.72
Foreign exchange derivative assets	140.72	52.17	110.27	314.80
Lease deposits	621.50	578.59	1,185.63	1,178.56
Others	-	-	81.38	4.11
	762.40	630.99	2,278.06	1,792.68

* Includes restricted deposits of ₹ 5.34 million (31 March 2024: ₹ 12.38 million) placed as a lien against bank guarantees/ statutory registration purposes/ claims.

8. OTHER ASSETS

	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Unsecured - considered good				
Contract assets	-	-	406.40	100.95
Contract fulfilment cost	-	-	-	0.80
Contract acquisition cost	-	1.56	68.82	105.63
	-	1.56	475.22	207.38
Less: Loss allowance	-	-	-	-
	-	1.56	475.22	207.38
Unsecured - considered good				
Travel advances	-	-	2.50	2.29
Prepaid expenses	36.95	30.50	848.67	755.64
Advances to suppliers	-	-	145.55	301.96
Net assets for defined benefit plan (refer note 34)	106.05	223.87	-	-
Indirect tax recoverable	206.37	207.18	2,248.00	2,806.32
	349.37	461.55	3,244.72	3,866.21
	349.37	463.11	3,719.94	4,073.59

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

9. CURRENT INVESTMENTS

	As at 31 March 2025			As at 31 March 2024		
	Units	NAV (₹)	₹ million	Units	NAV (₹)	₹ million
Investments measured at FVTPL						
Quoted mutual funds						
Nippon India Arbitrage Advantage Fund-Direct Plan	-	-	-	12,355,689	26.14	322.93
Axis Overnight Fund - Direct Plan - Growth	-	-	-	-	-	-
Edelweiss Arbitrage Fund - Direct Plan Growth	75,305,364	20.44	1,539.50	-	-	-
HDFC Ultra Short Term Fund - Direct Plan - Growth	114,148,141	15.18	1,733.12	298,429,958	14.09	4,204.52
Bandhan Liquid Fund - Direct Plan - Growth (IDFC)	498,251	3,132.53	1,560.79	1,251,444	1,794.51	2,245.72
HDFC Arbitrage Fund - Wholesale Growth Option - Direct Plan	91,441,200	19.83	1,813.10	-	-	-
ABSL Overnight Fund - Direct Plan - Growth	-	-	-	1,199,301	1,295.05	1,553.15
ICICI Prudential Money Market Fund - Direct Plan - Growth	6,704,375	376.67	2,525.32	13,816,614	349.23	4,825.16
Tata Arbitrage Fund-Direct Plan-Growth	-	-	-	134,880,016	13.73	1,852.23
Kotak Savings Fund - Direct Plan - Growth	9,328,703	44.05	410.93	69,161,905	40.91	2,829.41
Kotak Equity Arbitrage Fund -Direct Plan Growth	73,120,627	39.35	2,877.49	-	-	-
Quoted debentures *						
Kotak Mahindra Investment Limited	-	-	-	2,500	108,870.00	272.18
Investments measured at amortized cost						
Quoted Debentures						
7.50% HDB Financial Services Ltd 23 Sep 2025	250	1,037,127.19	259.28	-	-	-
7.9000% Bajaj Finance 17 Nov 2025	500	1,029,653.36	514.83	-	-	-
7.99% HDB Financial Services Ltd Mar 2026	2,500	100,370.17	250.93	-	-	-
8.30% Tata Capital Ltd 13TH MAR 2026	2,500	100,843.96	252.11	-	-	-
8.30% Tata Capital Ltd 13TH MAR 2026	1,000	100,749.95	100.75	-	-	-
7.8376% Kotak Mahindra Prime Limited 2025	500	1,053,817.33	526.91	-	-	-
7.38% Kotak Mahindra Prime Limited 2025	500	1,042,553.35	521.28	-	-	-
		14,886.34				18,105.30
Aggregate value of quoted current investments		14,886.34				18,105.30
Market value of quoted current investments		14,884.58				18,105.30

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

10. TRADE RECEIVABLES

(₹ million)

	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Unsecured – considered good				
Trade receivables	-	-	8,783.42	9,619.59
Allowance for doubtful receivables	-	-	(113.15)	(120.11)
	-	-	8,670.27	9,499.48
Credit impaired				
Trade receivables	-	-	890.05	663.28
Allowance for doubtful receivables	-	-	(890.05)	(663.28)
	-	-	-	-
Unbilled receivables	1,111.13	1,971.17	9,445.95	8,291.38
Allowance for doubtful receivables	-	-	(85.80)	(38.24)
	1,111.13	1,971.17	9,360.15	8,253.14
	1,111.13	1,971.17	18,030.42	17,752.62

Information about the Company's exposure to credit and market risks, and impairment losses for trade receivables is included in note 36.

Trade receivables ageing schedule

Particulars (31 March 2025)	Outstanding for following periods from due date of payment							Unbilled receivables	Total
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years			
Undisputed Trade receivables – considered good	3,090.72	5,078.32	502.74	9.86	-	101.78	9,445.95	18,229.37	
Undisputed Trade receivables – credit impaired	-	58.12	-	83.72	196.48	247.40	-	585.72	
Disputed Trade receivables – considered good	-	-	-	-	-	-	-	-	
Disputed Trade receivables – credit impaired	-	-	-	-	-	304.33	-	304.33	
	3,090.72	5,136.44	502.74	93.58	196.48	653.51	9,445.95	19,119.42	
Allowance for doubtful receivables								(1,089.00)	
	3,090.72	5,136.44	502.74	93.58	196.48	653.51	9,445.95	18,030.42	

Particulars (31 March 2024)	Outstanding for following periods from due date of payment							Unbilled receivables	Total
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years			
Undisputed Trade receivables – considered good	4,962.45	4,246.69	190.47	52.25	121.88	45.77	8,291.38	17,910.89	
Undisputed Trade receivables – credit impaired	-	40.45	-	142.38	-	176.31	-	359.14	
Disputed Trade receivables – considered good	-	-	-	-	-	0.08	-	0.08	
Disputed Trade receivables – credit impaired	-	-	-	-	-	304.14	-	304.14	
	4,962.45	4,287.14	190.47	194.63	121.88	526.30	8,291.38	18,574.25	
Allowance for doubtful receivables								(821.63)	
	4,962.45	4,287.14	190.47	194.63	121.88	526.30	8,291.38	17,752.62	

Non-current trade receivables represent unbilled portion of trade receivables amounting to ₹ 1,111.13 (31 March 2024: ₹ 1,971.17). Hence ageing has not been separately disclosed.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

10. TRADE RECEIVABLES (Continued)

Relationship with struck off companies

(₹ million)

Name of struck off company (31 March 2025)	Nature of transactions	Transactions during the year	Balance outstanding	Relationship
Metadata Technologies Private Limited*	Receivables	-	25.28	Customer
Name of struck off company (31 March 2024)				
Metadata Technologies Private Limited*	Receivables	-	25.28	Customer

* The above amounts have been fully provided for.

11. CASH AND CASH EQUIVALENTS

	As at 31 March 2025	As at 31 March 2024
In current accounts	4,767.65	3,515.62
Deposits with original maturity of less than 3 months	1,762.54	579.00
	6,530.19	4,094.62

12. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Deposits with original maturity of more than 12 months	0.18	0.23	-	-
Deposits with original maturity of more than 3 months and less than 12 months	-	-	348.43	82.37
Earmarked balances with bank				
Unclaimed dividend	-	-	23.94	24.02
	0.18	0.23	372.37	106.39
Disclosed under other financial assets (refer note 7)	(0.18)	(0.23)	(5.17)	(12.15)
	-	-	367.20	94.24

13. LOANS

	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Unsecured - considered good				
Employee advances	-	-	305.84	240.04
	-	-	305.84	240.04
Less: Loss allowance	-	-	-	-
	-	-	305.84	240.04

14. EQUITY SHARE CAPITAL

	As at 31 March 2025	As at 31 March 2024
Authorised share capital		
245,000,000 (31 March 2024: 245,000,000) equity shares of ₹ 10 each	2,450.00	2,450.00
Issued, subscribed and fully paid-up shares		
190,076,841 (31 March 2024: 188,997,999) equity shares of ₹ 10 each fully paid-up	1,900.77	1,889.98
Add: Amount originally paid-up on forfeited shares	0.07	0.07
Total issued, subscribed and fully paid-up share capital	1,900.84	1,890.05

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

14. EQUITY SHARE CAPITAL (Continued)

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

	As at 31 March 2025		As at 31 March 2024	
	Number of shares	₹ million	Number of shares	₹ million
At the beginning of the year	188,997,999	1,889.98	188,400,043	1,884.00
Issue of shares upon exercise of stock options (refer note 15)	1,078,142	10.78	597,956	5.98
Allotment of bonus shares earlier held in abeyance	700	0.01	-	-
Outstanding at the end of the year	190,076,841	1,900.77	188,997,999	1,889.98

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

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

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

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

	As at 31 March 2025	As at 31 March 2024
BCP Topco IX Pte. Ltd (subsidiary of the ultimate holding company) *		
76,299,642 (31 March 2024: 104,799,642) equity shares of ₹ 10 each fully paid	762.99	1,048.00

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

Shares held by promoters		As at 31 March 2025		As at 31 March 2024		% of change during the year
Promoter name		No. of shares	% of total shares	No. of shares	% of total shares	
BCP Topco IX Pte. Ltd		76,299,642	40.14	104,799,642	55.45	15.31%

Shares held by promoters		As at 31 March 2024		As at 31 March 2023		% of change during the year
Promoter name		No. of shares	% of total shares	No. of shares	% of total shares	
BCP Topco IX Pte. Ltd		104,799,642	55.45	104,799,642	55.63	0.18%

(d) Equity shares movement during five years immediately preceding 31 March 2025.

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

	As at 31 March 2025	As at 31 March 2024
Equity shares allocated as fully paid bonus shares by capitalization of securities premium / retained earnings	2,100	1,400

(ii) Equity shares extinguished / cancelled on buy back

The Company has not made any buyback of equity shares in current year or during the preceding five years.

(iii) Number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash: 31 March 2025: nil (31 March 2024: nil).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

14. EQUITY SHARE CAPITAL (Continued)

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

Name of the shareholder	As at 31 March 2025		As at 31 March 2024	
	Number of shares	% of holding	Number of shares	% of holding
BCP Topco IX Pte. Ltd	76,299,642	40.14	104,799,642	55.45

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

(f) Shares reserved for issue under options

For details of shares reserved for issue under the ESOP and RSU plans of the Company, refer note 15.

15. OTHER EQUITY

(₹ million)

	As at 31 March 2025	As at 31 March 2024
Securities premium		
Balance as per previous financial statements	2,432.99	1,773.19
Premium received on issue of shares on exercise of options	564.69	295.09
Transferred from share based payment reserve, on exercise of options	706.35	364.71
Closing balance	3,704.03	2,432.99
General reserve		
Balance as per previous financial statements	2,047.96	2,025.91
Reversal on lapse of options granted	52.98	22.05
Closing balance	2,100.94	2,047.96
Retained earnings		
Balance as per previous financial statements	46,630.10	40,227.62
Re-measurement gains / (losses) on defined benefit plans	(73.08)	94.14
Profit for the year	15,324.85	14,461.37
Allotment of bonus shares held in abeyance	(0.01)	-
Transferred from Special Economic Zone re-investment reserve	267.54	1,275.60
Less: Appropriations		
Dividends	10,400.91	9,428.63
Total appropriations	10,400.91	9,428.63
Closing balance	51,748.49	46,630.10
Capital reserve		
Balance as per previous financial statements	265.16	265.16
Closing balance	265.16	265.16
Capital redemption reserve		
Balance as per previous financial statements	246.91	246.91
Closing balance	246.91	246.91
Share based payments reserve		
Balance as per previous financial statements	2,532.56	2,037.64
Expense for the year	571.53	881.68
Transferred to securities premium on exercise of options	(706.35)	(364.71)
Reversal on lapse of options granted	(52.98)	(22.05)
Closing balance	2,344.76	2,532.56
Special Economic Zone re-investment reserve		
Balance as per previous financial statements	936.37	2,211.97
Transfer to retained earnings	-	(1,013.53)
Utilization during the year	(267.54)	(262.07)
Closing balance	668.83	936.37

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

15. OTHER EQUITY (Continued)

(₹ million)

	As at 31 March 2025	As at 31 March 2024
Cash flow hedging reserve		
Balance as per previous financial statements	229.59	(583.72)
Changes in fair value during the year, (net)	(294.32)	1,204.07
Income tax effect on the above	74.08	(390.76)
Closing balance	9.35	229.59
Debt instruments through OCI		
Balance as per previous financial statements	(1.93)	(1.79)
Transactions during the year	3.32	0.18
Income tax effect on the above	(0.84)	(0.32)
Closing balance	0.55	(1.93)
Total other equity	61,089.02	55,319.71

Dividend on equity shares paid during the year ended 31 March 2025

The Board of Directors, at its meeting held on 25 April 2024 had proposed the final dividend of ₹ 55 per share for the year ended 31 March 2024 which was approved by the shareholders at the Annual General meeting held on 25 July 2024. This resulted in a cash outflow of ₹ 10,400.91 million.

Dividend on equity shares paid during the year ended 31 March 2024

The Board of Directors, at its meeting held on 27 April 2023 had proposed the final dividend of ₹ 50 per share for the year ended 31 March 2023 which was approved by the shareholders at the Annual General meeting held on 20 July 2023. This resulted in a cash outflow of ₹ 9,427.14 million.

Employee Stock Option Plans – Equity settled.

Employees Stock Option Plan 1998 (the 1998 Plan)

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

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

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

	Year ended 31 March 2025		Year ended 31 March 2024	
	No. of options	Weighted Average Exercise Price (₹)	No. of options	Weighted Average Exercise Price (₹)
1998 Plan (Version I)				
Options outstanding at the beginning	46,504	34.38	46,504	34.38
Exercised	-	-	-	-
Options outstanding at the end	46,504	34.38	46,504	34.38
Exercisable at the end	46,504	34.38	46,504	34.38

The options outstanding as at 31 March 2025 have an exercise price of ₹ 34.38 (31 March 2024: ₹ 34.38).

Employees Stock Option Plan - 2016 (the 2016 Plan)

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

15. OTHER EQUITY (Continued)

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

2016 Plan	Year ended 31 March 2025		Year ended 31 March 2024	
	No. of options	Weighted Average Exercise Price (₹)	No. of options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning	2,814,235	1,521.63	3,286,219	1,351.31
Granted	262,520	2,587.38	197,200	2,165.82
Forfeited	118,446	2,482.85	91,364	2,432.05
Lapsed	56,056	2,502.43	69,167	913.68
Exercised	905,617	633.55	508,653	590.15
Options outstanding at the end	1,996,636	1,980.01	2,814,235	1,521.63
Exercisable at the end	1,273,470	1,562.47	1,982,739	1,043.57

The weighted average share price as at the date of exercise of stock option was ₹ 2,822.03 (31 March 2024: ₹ 2,326.55). The options outstanding as at 31 March 2025 have an exercise price ranging from ₹ 500.00 to ₹ 3,397.00 (31 March 2024: ₹ 500.00 to ₹ 3,397.00) and the weighted average remaining contractual life is of 4.63 years (31 March 2024: 3.79 years).

The weighted average fair value of stock options granted during the year was ₹ 1,132.39 (31 March 2024: ₹ 873.56). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	Year ended 31 March 2025	Year ended 31 March 2024
Weighted average share price on the date of grant (₹)	2,739.81	2,219.29
Exercise Price (₹)	2,200.00 to 2,900.00	1,760.00 to 2,300.00
Expected Volatility	29.11% to 31.87%	28.69% to 32.97%
Life of the options granted in years	1-10 years	1-10 years
Average risk-free interest rate	6.77% to 7.11%	7.01% to 7.35%
Expected dividend rate	1.93% to 2.26%	2.04% to 2.26%

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

Total employee compensation cost pertaining to 2016 Plan during the year is ₹ 47.64 million, (31 March 2024: ₹ 68.18 million) net of cross charge to subsidiaries.

During the current year, the Company granted 20,000 options (31 March 2024: 15,000) to key management personnel under 2016 plan.

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

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

The RSU Plan-2021 is administered by the Mphasis Employees Equity Reward Trust. Each unit, granted under the RSU Plan-2021, entitles the holder thereof with an option to apply for and be issued one equity share of the Company at an exercise price of ₹ 10.00 per share. A total of 3,000,000 RSUs can be granted to the eligible employees of the Company and its subsidiaries. The equity shares covered under this plan vest over a period ranging from twelve to sixty months from the date of grant. The exercise period is sixty months from the respective date of vesting or within six months from the resignation of the employee whichever is earlier.

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

RSU 2021 Plan	Year ended 31 March 2025		Year ended 31 March 2024	
	No. of Units	Weighted Average Exercise Price (₹)	No. of Units	Weighted Average Exercise Price (₹)
Units outstanding at the beginning	803,179	10.00	918,360	10.00
Granted	118,880	10.00	37,000	10.00
Forfeited	87,473	10.00	62,227	10.00
Lapsed	995	10.00	651	10.00
Exercised	172,525	10.00	89,303	10.00
Units outstanding at the end	661,066	10.00	803,179	10.00
Exercisable at the end	21,608	10.00	16,752	10.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

15. OTHER EQUITY (Continued)

The weighted average share price as at the date of exercise of stock option was ₹ 2,910.88 (31 March 2024: ₹ 2,227.96). The options outstanding as at 31 March 2025 have an exercise price of ₹ 10.00 (31 March 2024: ₹ 10.00) and the weighted average remaining contractual life is of 5.92 years (31 March 2024: 6.76 years).

The weighted average fair value of stock options granted during the year was ₹ 2,377.67 (31 March 2024: ₹ 1,989.80). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	Year ended 31 March 2025	Year ended 31 March 2024
Weighted average share price on the date of grant (₹)	2,824.63	2,419.33
Exercise Price (₹)	10.00	10.00
Expected Volatility	29.18% to 31.87%	29.03% to 29.73%
Life of the units granted in years	1-10 years	1-10 years
Average risk-free interest rate	6.77% to 7.11%	7.18% to 7.35%
Expected dividend rate	1.93% to 2.26%	2.26%

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

Total employee compensation cost pertaining to 2021 Plan during the year is ₹ 56.29 million (31 March 2024: is ₹ 115.50 million), net of cross charge to subsidiaries.

During the current year, the Company granted 20,000 units (31 March: 2024: Nil) to key management personnel under 2021 plan.

16. OTHER FINANCIAL LIABILITIES

(₹ million)

	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Salary related costs	40.61	55.72	2,367.39	2,313.00
Capital creditors	-	-	20.79	31.25
Other payables	0.56	0.56	1,490.26	355.00
Unclaimed dividend*	-	-	23.94	24.02
Foreign exchange derivative liabilities	14.62	4.18	208.59	76.31
	55.79	60.46	4,110.97	2,799.58

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

17. PROVISIONS

	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
17a. EMPLOYEE BENEFIT OBLIGATIONS				
Provision for employee compensated absences	-	-	473.39	466.34
	-	-	473.39	466.34
17b. OTHER PROVISIONS				
Provisions- others	-	-	1,075.76	798.71
	-	-	1,075.76	798.71
	-	-	1,549.15	1,265.05

Movement in Other provisions

	As at 31 March 2025	As at 31 March 2024
Provisions		
Balance as per previous financial statements	798.71	798.71
Additions	476.46	-
Utilised / paid	(199.41)	-
Closing balance	1075.76	798.71

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

17. PROVISIONS (Continued)

Provisions include liabilities recognized with respect to ongoing disputes / litigations with third parties. The provision have been estimated based on the Company's assessment of contractual / legal provisions and the expected settlement amount. Given the long duration of disputes / litigation and the related complexities involved therein, the Company expects to settle these provisions upon resolution with the concerned parties.

18. OTHER LIABILITIES

(₹ million)

	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Unearned revenue	-	-	203.50	451.66
Statutory dues	-	-	622.19	591.92
	-	-	825.69	1,043.58

19. BORROWINGS

	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Unsecured				
Loan from related party* (refer note 30)	-	-	-	-
	-	-	-	-

	As at 31 March 2025	As at 31 March 2024
Balance as per previous financial statements	-	1,014.04
Availed	3,200.00	2,200.00
Repaid	(3,200.00)	(3,200.00)
Non-cash changes including foreign exchange movements	-	(14.04)
Closing balance	-	-

* Loan from subsidiary carries interest @ 6 months State Bank of India MCLR (Marginal cost of funds Lending Rate) + 1.75%. The loan was fully repaid in January 2025.

20. TRADE PAYABLES

	As at 31 March 2025	As at 31 March 2024
Outstanding dues to micro and small enterprises ('MSME')*	31.03	20.71
Outstanding dues to creditors other than MSME	5,272.74	4,896.11
	5,303.77	4,916.82

Trade payables ageing schedule

Particulars (31 March 2025)	Outstanding for following periods from due date of payment					Accrued expenses	Total
	Not Due	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years		
MSME	25.16	1.02	-	0.38	4.47	-	31.03
Others	233.81	290.38	46.07	28.81	51.97	4,614.75	5,265.79
Disputed dues others	-	-	-	2.83	4.12	-	6.95
	258.97	291.40	46.07	32.02	60.56	4,614.75	5,303.77
Particulars (31 March 2024)							
MSME	15.80	-	0.38	0.06	4.47	-	20.71
Others	206.55	63.44	0.31	1.91	50.85	4,554.06	4,877.12
Disputed dues others	-	-	2.83	-	16.16	-	18.99
	222.35	63.44	3.52	1.97	71.48	4,554.06	4,916.82

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

20. TRADE PAYABLES (Continued)

Relationship with struck off companies

(₹ million)

	Nature of transactions	Transactions during the year	Balance outstanding	Relationship
Name of struck off company (31 March 2025)				
Human Interface Consulting India Pvt Ltd	Payables	-	0.56	Vendor
Name of struck off company (31 March 2024)				
Human Interface Consulting India Pvt Ltd	Payables	-	0.56	Vendor

The Company has amounts due to Micro and Small Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31 March 2025 and 31 March 2024. The details in respect of such dues are as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal amount	31.03	20.71
- Interest	1.04	1.10
The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed date during the year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	0.31	1.24
The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	27.38	26.03

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

21. TAXES

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

	Year ended 31 March 2025	Year ended 31 March 2024
Taxes		
Current taxes	4,735.85	5,616.54
Deferred taxes	43.39	303.35
Total taxes	4,779.24	5,919.89

For periods upto 31 March 2024

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

21. TAXES (Continued)

The Company is liable to pay Minimum Alternate Tax ('MAT') in the tax holiday period if the tax payable under normal provisions is less than tax payable under MAT. Excess tax paid under MAT over tax under normal provision paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities.

The interest / dividend income from certain category of investments is exempt from tax. The difference between the reported income tax expense and income tax computed at statutory tax rate is primarily attributable to income exempt from tax, reversal of tax expense pertaining to previous years (net), tax effect on allowances / disallowances (net) and tax differentials on income from capital gains and tax effect of rate differentials on account of expected shift to New Tax Regime under Section 115BAA and tax expense recognised on unutilised SEZ reinvestment reserves.

For periods beginning 1 April 2024

The Company has transitioned to the concessional tax rate of 22% plus surcharge and cess (totalling to 25.168%) under Section 115BAA of the Income Tax Act, 1961. Under this taxation regime, the Company is no longer entitled to the tax benefits / exemptions it previously availed.

The difference between the reported income tax expense and income tax computed at statutory tax rate is primarily attributable to reversal of tax expenses pertaining to previous years (net), tax effect on disallowances (net) and tax differentials on income from capital gains and tax expense recognised on SEZ reinvestment reserve considered improbable of being utilized.

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

Mphasis Limited has entered into international with its associated enterprises within the meaning of Section 92B of the Income Tax Act, 1961. The regulations require maintenance of prescribed documents and/or furnishing the certificate by the management or an external accountant within the specified due date under the regulations to support the arm's length outcome determination by the Company. Based on these guidelines, the management is of the opinion that the related party transactions are at arm's length and does not warrant any adjustment, on the part of the management, on the amount of tax expense and tax provision reported in the Standalone Financial Statements.

Deferred tax for the year ended 31 March 2025 and 31 March 2024 relates to origination and reversal of temporary differences.

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

(₹ million)

	Year ended 31 March 2025	Year ended 31 March 2024
Profit before tax	20,104.09	20,381.26
Applicable tax rates in India	25.168%	34.944%
Computed tax charge (A)	5,059.80	7,122.03
Tax effect on exempt operating income	-	(1,607.21)
Tax effect on non - deductible expenses	96.37	121.12
Tax effect on differential domestic / overseas tax rate and other disallowances	(22.37)	(2.76)
Reversal of tax expenses pertaining to prior period*	(437.51)	(158.23)
Tax effect on unutilised SEZ reserve	83.67	84.66
Others **	(0.72)	360.28
Total adjustments (B)	(280.56)	(1,202.14)
Total tax expenses (A+B)	4,779.24	5,919.89

* Income tax expense for the year ended 31 March 2025 and 31 March 2024 includes reversal (net of provisions) of ₹ 437.51 million and ₹ 158.23 million, respectively.

**For the year ended 31 March 2024, others include tax impact of remeasurement of deferred tax balances based on the revised applicable tax rate arising due to shift to new regime from FY 24-25.

	As at 31 March 2025	As at 31 March 2024
Other tax assets (net)		
Advance income-tax (net of provision for taxation)	5,467.75	4,843.60
	5,467.75	4,843.60
Current tax liabilities (net)		
Provision for taxation	1,627.98	2,421.65
	1,627.98	2,421.65

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

21. TAXES (Continued)

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

	As at 31 March 2025	As at 31 March 2024
Deferred tax asset (net)		
Property, plant and equipment and other intangible assets	211.72	184.64
Provision for doubtful debts and advances	318.42	242.71
Provision for employee benefits	296.78	341.22
On carried forward long term capital loss	-	1.02
Derivative (assets) / liabilities	(3.34)	(76.58)
DTL on unutilised SEZ reserve	(168.04)	(84.66)
ROU assets	(1,228.82)	(1,365.70)
Lease liabilities	1,480.49	1,605.74
Others	(19.61)	(15.22)
	887.60	833.17

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

	As at 1 April 2024	Statement of Profit and Loss	OCI	As at 31 March 2025
Deferred tax asset (net)				
Property, plant and equipment and other intangible assets	184.64	27.08	-	211.72
Provision for doubtful debts and advances	242.71	75.71	-	318.42
Provision for employee benefits	341.22	(69.02)	24.58	296.78
On carried forward long term capital loss	1.02	(1.02)	-	-
Derivative (assets) / liabilities	(76.58)	-	73.24	(3.34)
DTL on unutilised SEZ reserve	(84.66)	(83.38)	-	(168.04)
ROU assets	(1,365.70)	136.88	-	(1,228.82)
Lease liabilities	1,605.74	(125.25)	-	1,480.49
Others	(15.22)	(4.39)	-	(19.61)
Total	833.17	(43.39)	97.82	887.60

	As at 1 April 2023	Statement of Profit and Loss	OCI	As at 31 March 2024
Deferred tax asset (net)				
Property, plant and equipment and other intangible assets	247.85	(63.21)	-	184.64
Provision for doubtful debts and advances	412.87	(170.16)	-	242.71
Provision for employee benefits	426.61	(10.64)	(74.75)	341.22
On carried forward long term capital loss	1.42	(0.40)	-	1.02
Derivative (assets) / liabilities	314.50	-	(391.08)	(76.58)
DTL on unutilised SEZ reserve	-	(84.66)	-	(84.66)
ROU assets	(1,284.93)	(80.77)	-	(1,365.70)
Lease liabilities	1,449.45	156.29	-	1,605.74
Others	34.59	(49.81)	-	(15.22)
Total	1,602.36	(303.36)	(465.83)	833.17

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

22. REVENUE FROM OPERATIONS

(₹ million)

	Year ended 31 March 2025	Year ended 31 March 2024
Sale of services	92,644.28	91,480.11
Profit / (loss) on cash flow hedges reclassified to revenue	66.19	(550.40)
	92,710.47	90,929.71

Information in relation to revenue disaggregation is disclosed in note 32.

Reconciliation of revenue recognised with contracted price is as follows:

	Year ended 31 March 2025	Year ended 31 March 2024
Contracted price	95,339.83	92,760.12
Reductions towards variable consideration components *	(2,695.55)	(1,280.01)
Revenue as per statement of profit and loss	92,644.28	91,480.11

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

A. Contract balances

The following table discloses the movement in contract assets:

	Year ended 31 March 2025	Year ended 31 March 2024
Balance as per previous financial statements	100.95	990.17
Revenue recognized during the year	398.67	65.44
Invoiced during the year	(93.15)	(738.13)
Reclass to unbilled receivables (pursuant to milestones being met)	-	(224.05)
Exchange gain	(0.07)	7.52
Closing balance	406.40	100.95

The following table discloses the movement in unearned revenue balances:

	Year ended 31 March 2025	Year ended 31 March 2024
Balance as per previous financial statements	451.66	409.68
Revenue recognised that was included in the unearned revenue balance at the beginning of the year	(367.65)	(237.95)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	116.71	279.09
Exchange loss	2.78	0.84
Closing balance	203.50	451.66

B. Remaining performance obligations

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

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

The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2025 is ₹ 9,458.00 million (31 March 2024: ₹ 14,559.00 million). Out of this, the Company expects to recognize revenue of around 38% (31 March 2024: 29%) within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

Invoices are usually payable within 30-60 days. Certain contracts contain provision for volume discounts and cash discounts on account of early payment of invoices.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

23. OTHER INCOME

(₹ million)

	Year ended 31 March 2025	Year ended 31 March 2024
Interest income on		
Bank deposits	104.25	82.79
Debenture and long term bonds	182.73	27.29
Others	94.16	122.02
Net gain on investments measured at FVTPL *	968.31	718.09
Foreign exchange gain / (loss), (net)	205.61	227.77
Profit on sale of fixed assets, (net)	17.49	18.35
Sublease income	64.49	63.80
Miscellaneous income	147.75	92.64
	1,784.79	1,352.75

*Includes profit on sale of investments amounting to ₹ 973.30 million (31 March 2024: ₹ 469.62 million).

24. EMPLOYEE BENEFITS EXPENSE

	Year ended 31 March 2025	Year ended 31 March 2024
Salaries and bonus	25,710.47	25,204.91
Contribution to provident and other funds	1,881.93	1,680.47
Employee share based payments	103.93	183.68
Staff welfare expenses	444.52	535.67
	28,140.85	27,604.73

25. FINANCE COSTS

	Year ended 31 March 2025	Year ended 31 March 2024
Interest expense on borrowings	262.86	175.73
Interest expense on lease liabilities	481.70	485.17
	744.56	660.90

26. DEPRECIATION AND AMORTIZATION EXPENSE

	Year ended 31 March 2025	Year ended 31 March 2024
Depreciation of property, plant and equipment (refer note 3)	550.04	645.99
Amortization of other intangible assets (refer note 5)	17.98	20.17
Depreciation of right-of-use assets (refer note 4)	1,325.88	1,262.59
	1,893.90	1,928.75

27. OTHER EXPENSES

	Year ended 31 March 2025	Year ended 31 March 2024
Subcontracting charges	37,727.81	36,713.53
Legal and professional charges	506.54	380.36
Software support and annual maintenance charges	1,800.61	1,653.17
Facility expenses	285.70	283.92
Travel	277.49	296.05
Communication expenses	520.13	483.50
Recruitment expenses	392.64	229.51
Power and fuel	258.13	254.67

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

27. OTHER EXPENSES (Continued)

(₹ million)

	Year ended 31 March 2025	Year ended 31 March 2024
Insurance	152.40	132.52
Rates and taxes	64.91	42.60
Repairs and maintenance - others	86.95	91.59
Provision/(reversal) for expected credit loss	264.47	(217.14)
Sales support and marketing expenses	172.65	158.74
Corporate Social Responsibility expense (refer note 40)	391.55	346.60
Miscellaneous expenses	687.59	835.18
Auditor's remuneration (refer details below)	22.29	22.02
	43,611.86	41,706.82

	Year ended 31 March 2025	Year ended 31 March 2024
Auditor's remuneration *		
Statutory audit fee	19.80	19.70
Other services (certification fees)	1.70	1.70
Reimbursement of expenses	0.79	0.62
	22.29	22.02

*excluding Goods and Services Tax.

28. EARNINGS PER SHARE ('EPS')

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

	Year ended 31 March 2025	Year ended 31 March 2024
Profit for the year (₹ in million)	15,324.85	14,461.37
Number of weighted average shares considered for calculation of basic earnings per share	189,390,648	188,657,033
Add: Dilutive effect of stock options	1,089,799	1,352,927
Number of weighted average shares considered for calculation of diluted earnings per share	190,480,447	190,009,960
Earnings per equity share (par value ₹ 10 per share)		
Basic	80.92	76.65
Diluted	80.45	76.11

29. CONTINGENT LIABILITIES AND COMMITMENTS

- a. The Company has disputes with income tax authorities in India and other jurisdictions where they operate. The ongoing disputes pertain to various assessment years from 2005-06 to 2022-23. The matters under dispute pertain to transfer pricing, tax treatment of certain expenses claimed as deductions, or allowances, characterization of fees for services paid and applicability of withholding taxes. Claims against the Company in relation to direct taxes, transfer pricing matters not acknowledged as debts amount to ₹ 24,623.14 million (31 March 2024: ₹ 17,532.22 million). Claims against the Company in relation to indirect tax matters not acknowledged as debts amount to ₹ 203.17 million (31 March 2024: ₹ 180.15 million).

In relation to other tax demands not included above, the Company has furnished bank guarantees amounting to ₹ 6,180.63 million (31 March 2024: ₹ 5,637.21 million). These demands are being contested by the Company based on management evaluation, advice of tax consultants and legal advice obtained. No provision has been made in the books of accounts. The Company has filed appeals against such orders with the appropriate authorities.

The above amounts are quantified based on orders received from statutory authorities.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

29. CONTINGENT LIABILITIES AND COMMITMENTS (Continued)

- b. Other outstanding bank guarantees as at 31 March 2025: ₹ 25.48 million (31 March 2024: ₹ 148.09 million) pertains to guarantees issued on behalf of the Company to regulatory authorities.
- c. The Company has given a financial guarantee amounting to ₹ 10,304.55 million (31 March 2024: ₹ 4,170.25 million) in relation to a working capital loan availed by a wholly owned subsidiary.
- d. The Company has given letters of comfort to banks for credit facilities availed by its wholly owned subsidiary. As per the terms of the letters of comfort, the Company has undertaken to a) maintain its ownership interests in the wholly owned subsidiary, and not permit any lien or other encumbrance to be placed or imposed on such ownership interest b) to ensure that the wholly owned subsidiary will pay or perform, as applicable, all of its obligations when due under each Facility Document c) not to take any action which could result in the wholly owned subsidiary being unable to fulfill its obligations under any Facility Document.
- e. In addition to the above matters, the Company has other claims not acknowledged as debts amounting to ₹ 64.56 million (31 March 2024: ₹ 489.82 million).
- f. Estimated amounts of contracts remaining to be executed on capital account (net of advances) and not provided for as at 31 March 2025: ₹ 70.31 million (31 March 2024: ₹ 249.62 million).

30. RELATED PARTY TRANSACTIONS

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

Entities where control exists:

BCP Asia (SG) Mirror Holding Pte Ltd	Ultimate holding company
BCP Topco IX Pte Ltd	Intermediate holding company

Subsidiaries where control exists:

Msource (India) Private Limited ('Msource India')	Mphasis Europe BV ('Mphasis Europe')
Mphasis Corporation ('Mphasis USA')	Mphasis Pte Limited ('Mphasis Singapore')
Mphasis Infrastructure Services Inc.	Mphasis Deutschland GmbH ('Mphasis GmbH')
Digital Risk, LLC	Mphasis Belgium BV ('Mphasis Belgium')
Digital Risk Mortgage Services, LLC	Mphasis Poland s.p.z.o.o
Digital Risk Services, LLC (formerly known as Digital Risk Valuation Services, LLC)	Mphasis Ireland Limited ('Mphasis Ireland')
Investor Services, LLC	Wyde Solutions Canada Inc.
Wyde Corporation Inc.	Mphasis Wyde SASU
Mphasis Wyde Inc.	Msource Mauritius Inc. ('Msource Mauritius')
Mphasis UK Limited ('Mphasis UK')	Mphasis Philippines Inc.
Mphasis Consulting Limited ('Mphasis Consulting')	Stelligent Systems LLC
Mphasis Software and Services (India) Private Limited ('Mphasis India')	Mphasis Australia Pty Limited ('Mphasis Australia')
Mphasis (Shanghai) Software & Services Company Limited	Datalytx MSS Limited
Datalytx Limited	Blink Interactive
Dynamyx Limited	Mrald Services Limited
Mphasis Digi Information Technology Services (Shanghai) Limited	Mrald Services Private Limited (w.e.f 12 March 2023)
Mrald Limited	PT. Mphasis Indonesia ('Mphasis Indonesia') (liquidated w.e.f 9 October 2024)
Mphasis Solutions Services Corporation	Mphasis Lanka Private Limited ('Mphasis Lanka')
Sonnick Partners LLC (w.e.f 12 October 2023)	eBecs Limited (w.e.f 1 July 2023)
Silverline Canada Holdings Inc (w.e.f 12 October 2023)	eBecs Business Solutions (Ireland) Limited (w.e.f 1 July 2023)
Sonnick CRM Solutions LLP (w.e.f 12 October 2023)	Mphasis Arabia Limited (w.e.f 19 December 2023)
Shift US Holdings LLC (w.e.f 12 October 2023)	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

30. RELATED PARTY TRANSACTIONS (Continued)

Post-employment benefit trusts:

Mphasis Group Employees Provident Fund Trust
Mphasis Limited Employees Group Gratuity Fund Trust

Key management personnel

Davinder Singh Brar	Independent Director and Chairman of the Board (Retired w.e.f. 30 September 2024)
Narayanan Kumar	Independent Director (Retired w.e.f. 31 March 2024)
Jan Kathleen Hier	Independent Director and Chairperson of the Board (Appointed w.e.f. 1 October 2024)
Sunil Gulati	Independent Director (Appointed w.e.f. 1 April 2024)
Girish Paranjpe	Independent Director (Appointed w.e.f. 1 October 2024)
David Lawrence Johnson	Director
Marshall Jan Lux	Director
Amit Dixit	Director
Amit Dalmia	Director
Maureen Anne Erasmus	Independent Director
Kabir Mathur	Director
Pankaj Sood	Director
Courtney Della Cava	Director
Nitin Rakesh	Chief Executive Officer and Managing Director
Manish Dugar	Chief Financial Officer (Resigned w.e.f. 16 August 2024)
Subramanian Narayan	Senior Vice President & Company Secretary (Resigned w.e.f. 22 November 2024)
Aravind Viswanathan	Chief Financial Officer (Appointed w.e.f. 16 August 2024)
Sivaramakrishnan Puranam	Senior Vice President & Company Secretary (Appointed w.e.f. 23 January 2025)

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

(₹ million)

	Year ended 31 March 2025	Year ended 31 March 2024
Rendering of services	5,460.69	6,059.71
Mphasis USA	2,272.24	1,861.03
Mphasis UK	1,376.85	1,436.83
Mphasis Belgium BV	513.03	858.82
Mphasis Europe BV	33.89	181.31
Others	1,264.68	1,721.72
Purchase of property, plant and equipment	3.96	12.05
Msource India	3.96	11.81
Mphasis USA	-	0.24
Sale of property, plant and equipment	3.08	5.27
Msource India	0.92	4.37
Mphasis USA	0.16	-
Digital Risk Mortgage Services, LLC	-	0.90
Mrald Services Private Limited	2.00	-
Subcontracting charges	35,278.16	33,910.92
Mphasis USA	31,875.02	31,252.97
Msource India	392.49	460.16
Others	3,010.65	2,197.79
Sales support and marketing expenses	172.65	158.74
Mphasis UK	172.65	158.74

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

30. RELATED PARTY TRANSACTIONS (Continued)

(₹ million)

	Year ended 31 March 2025	Year ended 31 March 2024
Dividend paid (on cash basis)	3,783.94	4,722.33
BCP Topco IX Pte. Ltd [Net of withholding taxes amounting to: ₹ 419.65 (31 March 2024: ₹ 523.99)]	3,776.83	4,715.98
Key management personnel	7.11	6.35
Remuneration / Commission to key management personnel	481.80	541.09
Directors and others	481.80	541.09
Sub-lease rental income	64.49	63.80
Msource India	41.81	41.63
Digital Risk Mortgage Services, LLC	22.50	21.98
Mrald Services Private Limited	0.18	0.19
Investment made where control exists	6,664.09	-
Mphasis Europe BV	6,664.09	-
Corporate Guarantee Commission received from entities where control exists	115.95	52.01
Mphasis USA	59.39	52.01
Mphasis Europe BV	56.56	-
Unsecured loans repaid by entities where control exists	-	1,478.53
Mphasis USA	-	1,478.53
Unsecured borrowings from entities where control exists	3,200.00	2,200.00
Msource India	3,200.00	2,200.00
Unsecured borrowings repaid to entities where control exists	3,200.00	3,200.00
Msource India	3,200.00	3,200.00
Interest income from unsecured loans given to entities where control exists	-	23.97
Mphasis USA	-	23.97
Interest expenses on unsecured borrowings from entities where control exists	127.08	45.60
Msource India	127.08	45.60

In addition to the above, the Company and its subsidiaries incur reimbursable expenses on behalf of each other in the normal course of business.

	Year ended 31 March 2025	Year ended 31 March 2024
Expenses incurred on behalf of related parties	663.01	835.50
Mphasis USA	521.05	651.31
Msource India	15.56	19.58
Mphasis UK	-	60.24
Others	126.40	104.37
Expenses incurred by related parties on Company's behalf	112.59	125.85
Mphasis USA	112.59	125.85

Managerial remuneration

Expenses include the following remuneration to the key management personnel:

	Year ended 31 March 2025	Year ended 31 March 2024
Nitin Rakesh *		
Short term employee benefits	131.10	124.80
Share based payments	224.84	316.57
Others		
Short-term employee benefits	49.25	39.85
Share based payment	35.19	18.96
Commission to directors	41.42	40.91
	481.80	541.09

* The remuneration is paid by Mphasis Corporation as the KMP is not an employee of the Company

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

30. RELATED PARTY TRANSACTIONS (Continued)

Marble II Pte Ltd. ('Marble') (being the erstwhile Promoter of the Company) has covered certain identified employees of the Company under an Exit Return Incentive Plan ('the ERI Plan') of Marble, under which Marble could make direct payments upon satisfaction of specified conditions therein, at Marble's discretion. The ERI Plan was approved by the Board of Directors of the Company on 25 May 2017 and the shareholders of the Company at the Annual General Meeting held on 26 July 2017, as required under Regulation 26(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. There is no financial impact / burden to the Company for the payments to be made pursuant to the ERI Plan by Marble. During the previous year Marble has, since its exit as a shareholder of the Company, made payments of ₹ 41.30 million in aggregate under the ERI Plan to the key management personnel of the Company.

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

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

(₹ million)

	As at 31 March 2025	As at 31 March 2024
Trade receivables	4,038.31	4,305.46
Mphasis USA	2,552.94	2,104.38
Mphasis UK	811.20	921.62
Mphasis Belgium BV	194.21	455.00
Others	479.96	824.46
Trade payables	3,089.87	3,097.22
Mphasis USA	2,626.61	2,710.57
Others	463.26	386.65
Remuneration / Commission payable to key management personnel	10.38	10.40
Other receivables	895.09	281.72
Mphasis USA	722.18	154.22
Msource India	11.55	17.28
Mphasis Wyde SASU	19.52	29.03
Others	141.84	81.19
Corporate Guarantee given on behalf of entities where control exists	10,304.55	4,170.25
Mphasis USA	4,231.54	4,170.25
Mphasis Europe BV	6,073.01	-

31. SEGMENT REPORTING

The Company publishes the standalone financial statements along with the consolidated financial statements. In accordance with Ind AS 108, Operating segments, the Company has disclosed the segment information in the consolidated financial statements and is exempt from disclosing segment information in the standalone financial statements.

32. DISAGGREGATION OF REVENUE

Effective 1 April 2023, the Company re-organized the grouping of certain customers amongst operating segments in line with the go-to market strategy, as reviewed by the Chief Operating Decision Maker ("CODM").

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

32. DISAGGREGATION OF REVENUE (Continued)

(₹ million)

Business verticals	Year ended 31 March 2025	Year ended 31 March 2024
Banking and Financial Services	46,195.02	45,868.75
Logistics and Transportation	15,739.69	16,007.69
Technology Media and Telecom	10,250.18	10,294.89
Insurance	13,006.31	11,273.49
Others	7,453.08	8,035.29
Unallocated - hedge	66.19	(550.40)
Total	92,710.47	90,929.71
Geographic revenues		
Americas	74,822.54	74,307.95
India	7,856.74	7,426.82
EMEA	7,898.72	7,675.69
ROW	2,066.28	2,069.65
Unallocated - hedge	66.19	(550.40)
Total	92,710.47	90,929.71
Services rendered		
Application Services	70,296.46	68,313.73
Business Process Services	9,816.50	10,475.73
Infrastructure Services	12,531.32	12,690.65
Unallocated - hedge	66.19	(550.40)
Total	92,710.47	90,929.71
Delivery location		
Onsite	34,993.44	30,909.44
Offshore	57,650.84	60,570.67
Unallocated - hedge	66.19	(550.40)
Total	92,710.47	90,929.71
Project type		
Time and material	58,329.02	53,993.47
Fixed price	29,889.53	31,656.84
Transaction based	4,425.73	5,829.80
Unallocated - hedge	66.19	(550.40)
Total	92,710.47	90,929.71
Market		
Direct	89,668.57	87,819.04
DXC	1,112.33	1,463.34
Others	1,863.38	2,197.73
Unallocated - hedge	66.19	(550.40)
Total	92,710.47	90,929.71

33. CAPITAL MANAGEMENT

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

	As at 31 March 2025	As at 31 March 2024
Total equity attributable to the share holders of the Company (A)	62,989.86	57,209.76
Borrowings (B)	-	-
Total capital C (A+B)	62,989.86	57,209.76
Total borrowings as a percentage of capital (B / C)	-	-
Total equity as a percentage of total capital (A / C)	100.00%	100.00%

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

34. EMPLOYEE BENEFITS

a. Gratuity

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

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

(₹ million)

	Year ended 31 March 2025	Year ended 31 March 2024
Changes in present value of defined benefit obligations		
Obligations at beginning of the year	1,576.67	1,571.46
Service cost	203.47	256.22
Interest cost	103.43	103.90
Benefits paid	(225.20)	(181.36)
Re-measurement gain (through OCI)	93.19	(173.55)
Obligations at end of the year	1,751.56	1,576.67
Change in plan assets		
Plan assets at beginning of the year, at fair value	1,800.54	1,236.84
Expected return on plan assets	131.78	99.89
Re-measurement loss (through OCI)	(4.47)	(4.66)
Employer contributions	155.00	662.25
Benefits paid	(225.20)	(181.36)
Fund transfer to Msource (India) Private Limited	-	(10.00)
Administration charges	(0.04)	(2.42)
Plan assets at end of the year	1,857.61	1,800.54
Present value of defined benefit obligation at the end of the year	1,751.56	1,576.67
Fair value of plan assets at the end of the year	1,857.61	1,800.54
Net asset recognised in the balance sheet	106.05	223.87
Expenses recognised in statement of profit and loss		
Service cost	203.47	256.22
Interest cost (net)	(28.35)	4.01
Net gratuity cost	175.12	260.23
Re-measurement (gains) / losses in OCI		
Actuarial (gain) / loss due to financial assumption changes	-	10.94
Actuarial (gain) / loss due to demographic assumption changes	36.96	(158.82)
Actuarial (gain) / loss due to experience adjustments	56.23	(25.67)
Re-measurement - return on plan assets (greater) / less than discount rate	4.47	4.66
Total gains routed through OCI	97.66	(168.89)
Assumptions		
Discount rate	6.70%	7.20%
Expected rate of return on plan assets	7.00%	7.20%
Salary increase	4.00%	4.00%
Attrition rate	16% to 35%	16% to 35%
Retirement age	60 years	60 years

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

34. EMPLOYEE BENEFITS (Continued)

(₹ million)

Future payouts (year ended 31 March)		
Year-1	213.87	193.17
Year-2	194.06	172.43
Year-3	184.08	160.02
Year-4	164.87	147.87
Year-5	152.29	130.77
Year-6-10	510.99	461.43
Year-10 and above	331.40	310.98

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

At 31 March 2025, the weighted-average duration of the defined benefit obligation is 4.24 years (31 March 2024: 4.15 years).

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

Insurer managed funds		100%	100%	
Sensitivity analysis	Year ended 31 March 2025		Year ended 31 March 2024	
Change in discount rate	1% increase	1% decrease	1% increase	1% decrease
Effect on the defined benefit obligation	(80.46)	73.90	(71.90)	65.93
Change in salary increase rate				
Effect on the defined benefit obligation	76.37	(81.91)	68.50	(73.48)

b. Provident Fund

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

The Company has carried out actuarial valuation only for defined benefit plan as at 31 March 2025. The actuary has provided a valuation for provident fund liabilities and based on the assumptions mentioned below, there is no shortfall in plan assets as at 31 March 2025 and 31 March 2024.

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

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

	As at 31 March 2025	As at 31 March 2024
Plan assets at the year end	19,168.12	16,726.96
Present value of benefit obligation at year end	19,168.12	16,726.96
Asset recognized in balance sheet	-	-

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

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

Government of India (GOI) bond yield	6.71%	7.20%
Remaining term of maturity (in years)	7	8
Guaranteed rate of return	8.25%	8.25%

The Company has contributed ₹ 1,572.43 million towards provident fund during the year ended 31 March 2025 (31 March 2024: ₹ 1,281.41 million).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

34. EMPLOYEE BENEFITS (Continued)

c. Social Security

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

35. FINANCIAL INSTRUMENTS

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

Particulars (as at 31 March 2025)	FVTPL	FVTOCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortized cost	Total
Financial assets						
Cash and cash equivalents	-	-	-	-	6,530.19	6,530.19
Bank balances other than cash and cash equivalents	-	-	-	-	367.20	367.20
Investments (other than investment in subsidiaries)	12,460.25	220.38	-	-	2,954.84	15,635.47
Trade receivables	-	-	-	-	19,141.55	19,141.55
Loans	-	-	-	-	305.84	305.84
Derivative assets	-	-	227.94	23.05	-	250.99
Other financial assets	-	-	-	-	2,789.47	2,789.47
Total	12,460.25	220.38	227.94	23.05	32,089.09	45,020.71
Financial liabilities						
Lease liabilities	-	-	-	-	6,003.07	6,003.07
Trade payables	-	-	-	-	5,303.77	5,303.77
Derivative liabilities	-	-	215.46	7.75	-	223.21
Other financial liabilities	-	-	-	-	3,943.55	3,943.55
Total	-	-	215.46	7.75	15,250.39	15,473.60

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

35. FINANCIAL INSTRUMENTS (Continued)

(₹ million)

Particulars (as at 31 March 2024)	FVTPL	FVTOCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortized cost	Total
Financial assets						
Cash and cash equivalents	-	-	-	-	4,094.62	4,094.62
Bank balances other than cash and cash equivalents	-	-	-	-	94.24	94.24
Investments (other than investment in subsidiaries)	18,105.30	217.60	-	-	-	18,322.90
Trade receivables	-	-	-	-	19,723.79	19,723.79
Loans	-	-	-	-	240.04	240.04
Derivative assets	-	-	359.37	7.60	-	366.97
Other financial assets	-	-	-	-	2,056.70	2,056.70
Total	18,105.30	217.60	359.37	7.60	26,209.39	44,899.26
Financial liabilities						
Lease liabilities	-	-	-	-	6,521.99	6,521.99
Trade payables	-	-	-	-	4,916.82	4,916.82
Derivative liabilities	-	-	52.57	27.92	-	80.49
Other financial liabilities	-	-	-	-	2,779.55	2,779.55
Total	-	-	52.57	27.92	14,218.36	14,298.85

Fair value hierarchy

Particulars	As at 31 March 2025				As at 31 March 2024			
	Fair value measurements at reporting date using				Fair value measurements at reporting date using			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Assets								
Investments	12,680.63	12,680.63	-	-	18,322.90	18,050.72	272.18	-
Derivative assets	250.99	-	250.99	-	366.97	-	366.97	-
Liabilities								
Derivative liabilities	223.21	-	223.21	-	80.49	-	80.49	-

Valuation techniques and significant unobservable inputs

Level 2:

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

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

Offsetting financial assets with liabilities

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

The quantitative information about offsetting financial asset is as follows:

	As at 31 March 2025	As at 31 March 2024
Gross amount of recognised trade receivables (net of provision for ECL) - Billed	11,931.65	12,707.23
Gross amount of factored trade receivables and volume discount set off in the balance sheet	(3,261.38)	(3,207.75)
Net amount presented in balance sheet	8,670.27	9,499.48

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

36. FINANCIAL RISK MANAGEMENT

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

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

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

CREDIT RISK

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

The Company is also exposed to credit risk on account of financial guarantee given on behalf on of its subsidiaries [Refer note 29(c)]

Trade receivables

Credit risk is managed by each business unit subject to the Company's established policies, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored. One customer group individually accounted for more than 10% of the trade receivable for the years ended 31 March 2025 (31 March 2024: Two customer groups).

Credit risk exposure

The Company's credit period generally ranges from 30 – 60 days. The particulars are as below: (₹ million)

Particulars	As at 31 March 2025	As at 31 March 2024
Trade receivables	19,141.55	19,723.79
Contract assets	406.40	100.95
Total	19,547.95	19,824.74

The concentration risk with respect to trade receivables is low since they are spread across multiple customers, geographies and industries. The allowance for lifetime expected credit loss for the years ended 31 March 2025 and 31 March 2024 was ₹ 264.47 million and ₹ (217.14) million respectively. The reconciliation is as follows:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Balance as per previous financials statements	821.63	1,037.05
Charge / (reversal) for the year	264.47	(217.14)
Translation exchange differences	2.90	1.72
Closing balance	1,089.00	821.63

Investments, financial instruments and deposits with banks

Credit risk is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investments in liquid mutual fund units, State Development Loans, deposits and bonds issued by Government owned entities and highly rated financial institutions. Counterparty credit limits are reviewed by the Company periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. One bank individually accounted for more than 10% of the Company's deposits and bank balances for the year ended 31 March 2025 (31 March 2024: Two banks).

INTEREST RATE RISK

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

36. FINANCIAL RISK MANAGEMENT (Continued)

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

(₹ million)

Particulars	As at 31 March 2025	As at 31 March 2024
Fixed rate instruments	4,515.20	217.60
Variable rate instruments	-	272.18
Borrowings	-	-

A change of 100 basis points in interest rates would have increased or decreased profit after tax by ₹ 33.86 million (31 March 2024: ₹ 3.67 million). This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

LIQUIDITY RISK

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

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

Particulars	As at 31 March 2025	As at 31 March 2024
Cash and cash equivalents	6,530.19	4,094.62
Bank balances other than cash and cash equivalents	367.20	94.24
Current investments	14,886.34	18,105.30
Total	21,783.73	22,294.16

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

Financial liabilities (As at 31 March 2025)	On demand	0-180 days	180-365 days	365 days and above	Total
Trade payables	-	5,303.77	-	-	5,303.77
Lease liabilities	-	871.51	868.18	5,845.71	7,585.40
Other financial liabilities	-	4,110.97	-	55.79	4,166.76
Total financial liabilities	-	10,286.25	868.18	5,901.50	17,055.93

Financial liabilities (As at 31 March 2024)	On demand	0-180 days	180-365 days	365 days and above	Total
Trade payables	-	4,916.82	-	-	4,916.82
Lease liabilities	-	684.59	920.97	6,833.58	8,439.14
Other financial liabilities	-	2,799.58	-	60.46	2,860.04
Total financial liabilities	-	8,400.99	920.97	6,894.04	16,216.00

FOREIGN CURRENCY EXCHANGE RATE RISK

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

36. FINANCIAL RISK MANAGEMENT (Continued)

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

(₹ million)

31 March 2025					
Financial assets	USD	GBP	EUR	Others	Total
Trade receivables	14,506.32	1,387.32	460.42	938.30	17,292.36
Cash and cash equivalents	4,619.24	-	-	-	4,619.24
Other financial assets	724.27	13.89	30.79	69.54	838.49
Total financial assets	19,849.83	1,401.21	491.21	1,007.84	22,750.09
Financial liabilities					Total
Trade payables	2,646.28	132.32	62.78	232.67	3,074.05
Other financial liabilities	1,381.89	-	-	-	1,381.89
Total financial liabilities	4,028.17	132.32	62.78	232.67	4,455.94
Net financial assets	15,821.66	1,268.89	428.43	775.17	18,294.15
31 March 2024					
Financial assets	USD	GBP	EUR	Others	Total
Trade receivables	16,156.81	1,280.34	1,051.63	1,070.82	19,559.60
Cash and cash equivalents	3,218.53	-	-	-	3,218.53
Other financial assets	177.11	8.99	30.77	34.90	251.77
Total financial assets	19,552.45	1,289.33	1,082.40	1,105.72	23,029.90
Financial liabilities					Total
Trade payables	2,694.94	111.57	36.14	245.82	3,088.47
Other financial liabilities	240.61	-	-	-	240.61
Total financial liabilities	2,935.55	111.57	36.14	245.82	3,329.08
Net financial assets	16,616.90	1,177.76	1,046.26	859.90	19,700.82

Cash flow hedges

As at 31 March 2025, the Company held following instruments to hedge exposures to changes in foreign currency.

Forward exchange contracts	0-180 days	180-365 days	365 days and above
Average INR USD forward contract rate	85.48	86.57	88.98
Average INR GBP forward contract rate	111.02	113.59	-
Average INR EUR forward contract rate	96.18	97.79	-

As at 31 March 2024, the Company held following instruments to hedge exposures to changes in foreign currency.

Forward exchange contracts	0-180 days	180-365 days	365 days and above
Average INR USD forward contract rate	84.07	85.24	85.82
Average INR GBP forward contract rate	103.01	105.46	-
Average INR EUR forward contract rate	89.99	94.54	-

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

36. FINANCIAL RISK MANAGEMENT (Continued)

Forward contracts outstanding against financial assets are as below:

Currency	As at 31 March 2025		As at 31 March 2024	
	Amount (million)	Amount in (₹ million)	Amount (million)	Amount in (₹ million)
Balance sheet hedges				
USD	226.50	19,360.08	199.20	16,614.28
GBP	14.73	1,630.95	10.97	1,152.68
EUR	2.88	264.40	12.80	1,150.81
CAD	10.96	653.85	9.28	568.43
AUD	3.86	207.50	4.56	246.95
SGD	0.61	38.81	1.41	87.28
SEK	-	-	0.62	4.82

Forward contracts outstanding against financial liabilities are as below:

USD	71.40	6,102.70	-	-
CAD	2.64	157.41	-	-

Sensitivity analysis

For every 1% appreciation/depreciation of the respective foreign currencies, the Company's profit before taxes will be impacted by approximately ₹ 35.22 million for the year ended 31 March 2025 (31 March 2024: ₹ 11.70 million).

37. ADDITIONAL REGULATORY INFORMATION

a. ANALYTICAL RATIOS

Ratios	Numerator	Denominator	As at 31 March 2025	As at 31 March 2024	% Variance
Current ratio (in times)	Current assets	Current liabilities	3.13	3.39	-7.87%
Debt equity ratio (in times)	Debt (borrowings + lease liabilities)	Shareholders equity	0.10	0.11	-16.40%
Debt service coverage ratio (in times)	Earnings for Debt Service (Profit after tax + Depreciation + finance cost)	Debt Service (Interest and lease payments + Principal repayments)	3.49	3.47	0.50%
Return on equity ratio (in %)	Net Profit for the year	Average shareholders equity	25.50%	26.96%	-5.40%
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	4.79	4.49	6.60%
Trade payables turnover ratio	Other expenses	Average trade payables	8.53	7.19	18.65%
Net capital turnover ratio	Revenue from operations	Working Capital (current assets - current liabilities)	2.96	2.79	5.81%
Net profit ratio (in %)	Net Profit for the year	Revenue from operations	16.53%	15.90%	3.94%
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed (Net worth + borrowings + lease liabilities)	27.63%	30.89%	-10.56%
Return on investment (in %)	Income generated from treasury investments	Average invested funds in treasury investments	7.66%	7.60%	0.79%

b. OTHERS

The Company invested ₹ 6,664.09 million into a wholly owned subsidiary as consideration for equity shares issued to the Company. The subsidiary used such amounts received from the Company to repay outstanding loans to a bank.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

37. ADDITIONAL REGULATORY INFORMATION (Continued)

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

38. FAIR VALUES

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

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

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

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

39. HEDGING ACTIVITIES AND DERIVATIVES

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

During the years ended 31 March 2025 and 31 March 2024, the Company has designated certain foreign exchange forward as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable cashflow forecast transactions. The related hedge transactions for balance in cash flow hedge reserve as at March 31, 2025 are expected to occur and reclassified to statement of profit and loss within 2 years.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of its forecasted cash flows. While determining the appropriate hedge ratio, the company takes into consideration the prevailing macroeconomic conditions, the availability and liquidity of the hedging instruments, tolerance levels for hedge ineffectiveness and the costs of hedging. Hedge effectiveness is determined at the inception of hedge relationship, and through periodic prospective effectiveness assessments to ensure than an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items. Designated cash flow hedges are measured at FVTOCI. Other derivatives which are not designated as hedge are measured at FVTPL.

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

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

As at 31 March 2025				As at 31 March 2024		
Currency	Number of contracts	Notional amount (million in respective currencies)	Fair value gain / (loss) (₹ million)	Number of contracts	Notional amount (million in respective currencies)	Fair value gain / (loss) (₹ million)
USD	184	633.50	(28.65)	313	587.50	314.97
GBP	12	10.74	5.18	18	4.17	(8.27)
EUR	12	12.59	35.95	16	7.90	0.10
Total			12.48			306.80

The Company has entered into derivative instruments not in hedging relationships by way of foreign exchange forwards. As at 31 March 2025 and 31 March 2024, the notional amount of outstanding contracts (sell) aggregated to ₹ 22,155.59 million and ₹ 19,825.25 million, respectively and the notional amount of outstanding contracts (buy) aggregated to ₹ 6,260.11 million and Nil, respectively. The fair value of these contracts have a net gain/(loss) of ₹ 15.30 million and ₹ (20.32) million respectively.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

39. HEDGING ACTIVITIES AND DERIVATIVES (Continued)

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

(₹ million)

	Year ended 31 March 2025	Year ended 31 March 2024
Balance as per previous financial statements	229.59	(583.72)
Change in fair value of effective portion of cash flow hedges	(228.13)	653.67
Gain/(loss) transferred to statement of profit and loss on occurrence of forecasted hedges	(66.19)	550.40
Income tax effect on the above	74.08	(390.76)
Total	9.35	229.59

Sensitivity analysis

For every 1% appreciation/depreciation of the respective underlying foreign currencies, the Company's OCI will decrease or increase approximately by ₹ 545.19 million for the year ending 31 March 2025 (31 March 2024: ₹ 484.43 million).

40. CORPORATE SOCIAL RESPONSIBILITY ('CSR')

Pursuant to the requirement of Section 135 of the Companies Act, 2013, CSR committee has been formed by the Company. The primary function of the CSR Committee is to assist the Board of Directors in formulating a CSR Policy and review the implementation and progress of the same from time to time. The CSR Policy focuses on creating opportunities for the disadvantaged with emphasis on persons with disabilities and technology driven community development.

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Amount required to be spent by the company during the year	391.18	354.65
Amount of expenditure incurred on :		
Construction / acquisition of any asset	-	-
On purposes other than above	391.55	354.74
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reasons for shortfall	-	-
Nature of CSR activities	Promoting Education/Livelihood-vocational training, Tech for Good projects especially in Stem education /career, Research programs, Inclusion-Making changes in policies for Person with disabilities, Assistive Tech in Inclusion-seed funding for Inclusive orgs and Environmental Sustainability to conserve water, Afforestation, & Mangroves	

41. SUBSEQUENT EVENTS

The Board of Directors in their meeting held on 24 April 2025 have proposed a final dividend of ₹ 57 per equity share for the year ended 31 March 2025 which is subject to the approval of shareholders at the ensuing Annual General Meeting and if approved, would result in a cash outflow of approximately ₹ 10,835.46 million.

As per our report of even date attached.

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

Chartered Accountants

ICAI Firm registration number:

101248W/W-100022

Arjun Ramesh

Partner

Membership No. 218495

Bengaluru

24 April 2025

for and on behalf of the Board of Directors

Nitin Rakesh

Chief Executive Officer & Managing Director

DIN: 00042261

New York

Aravind Viswanathan

Chief Financial Officer

New York

24 April 2025

Maureen Anne Erasmus

Director

DIN: 09419036

London

Sivaramakrishnan

Puranam

Senior Vice President &

Company Secretary

Bengaluru

GROUP OFFICE LOCATIONS

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Bengaluru

- Bagmane World Technology Center, W.T.C. 2, K.R. Puram, Marathahalli Outer Ring Road, Mahadevapura, Bengaluru - 560 048 India
Tel: 080 - 6750 1000
- Bagmane World Technology Center Special Economic Zone, W.T.C. 3, Block A and B, Level 1, Block A Level 3 and Level 7, Bengaluru - 560 048
Tel: 080 - 6750 1000
- Bagmane World Technology Center Special Economic Zone, W.T.C. 4, Level 4, Mahadevapura, K R Puram, Bengaluru - 560 048
Tel: 080 - 6750 1000
- Bagmane Laurel, No. 65/2, Block-A, 1st Floor Bagmane Technology Park, Byrasandra Village, C V Raman Nagar, Bengaluru - 560 093
Tel : 080 - 4004 4444
- Tower E, Ground, 1st, 2nd, 3rd Floor, G V Tech Park Private Limited, SEZ, Mylasandra - Patanegere Villages, Kengeri Hobli, Off Bangalore Mysore Express Way RVCE Post, Bengaluru, Karnataka - 560 059
- Tower F, 3rd, 4th and 5th Floor, G V Tech Park Private Limited, SEZ Mylasandra - Patanegere Villages, Kengeri Hobli, Off Bangalore Mysore Express Way RVCE Post, Bengaluru, Karnataka - 560059
- RGA Software Parks Pvt Ltd (Pritech Park (SEZ), 2nd Floor, Wing A, Block 5, SY No.51 to 64/4, Outer Ring Road, Bellandur Village, Bengaluru-560103
- Ground Floor Block C Global Technology Park, Marathahalli Outer Ring Road, Devarabeesanahalli Village, Bellandur, Bengaluru - 560103
- Bangalore_Incubex - Part of 12th Floor, Madhuvan North Avenue, Block M2, Outer Ring Road, Manyata Tech Park, Nagawara, Bengaluru - 560045

Chennai

- DLF Cyber City Developers Limited Block 8 4th, 8th, 9th and 10th Floor, 1/124, Sivaji Gardens, Moonlight Stop, Mount Poonamalle Road, Chennai - 600 089
- DLF Cyber City Developers Limited Tower 1B 2nd and 4th Floor, 1/124, Sivaji Garden Manapakkam, Mount Poonamalle Road, Chennai - 600 089
Tel : 044-6637 0000

Hyderabad

- Units 1801 and 1802, Skyview 20, Tower-9, SEZ Developer, Hyderabad Knowledge City, Serilingampally Mandal, Rangareddy Dist., Raidurgam, Hyderabad-500032 Telangana
- Phoenix Infocity Pvt. Ltd., IT/ITES SEZ, 1st and 2nd Part Floor, Building No. H09, aVance Business Hub, Gachibowli Village, Serilingampalli Mandal, Hyderabad - 500081

Mangalore

Techbay in village, No-92 Manglore Thota, G Floor, Jeppur Ward, Hobli, Mangalore - 575 001

Mumbai

Infinity IT Park, Unit No. 102, 'B' Wing, Building No. 4, 239, General A K Vaidya Marg, Dindoshi, Malad (East), Mumbai - 400 097
Tel: 022 - 6788 4000

Pune

- Cybercity, Tower IV, Magarpatta Hadapsar, Pune - 411 013
Tel: 020 - 4014 1000
- EON free Zone. Cluster C Kharadi Knowledge Park EON Kharadi Infrastructure Pvt. Ltd SEZ Plot No.1, Survey No.77 MIDC, Kharadi, Pune - 411 014
Tel : 020 - 4074 0000, 020-6617 0000
- 12th Floor, Level 1, Tower B of EOZ SEZ, Phase II, Survey No.72, Kharadi, Pune, Maharashtra, 411014

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- 2301 Maitland Center Parkway, Suite 165, Maitland, Florida 32751
Tel: 407-215-2900
- 5201 Congress Avenue, Suite 250 Boca Raton, Florida 33487
Tel: 561-208-7489
- 5353, North 16th Street, Suite 400, Phoenix, Arizona 85016
Tel : 1 - 602 - 604 - 3100
- Suite 340, South Wind Office Center D Building, 8295, Tournament Drive Memphis, Tennessee - 38215
- National Crop Research LTD 615 South Dupont Highway Dover, DE 19901
- 226, Airport Parkway, San Jose, California - 95110.
- 8900 freedom Parkway, Building 100 Suite 110, Jaksonville, FL 32256.
- 4120, International Parkway, Suite 2300, Carrollton, Dallas, Texas 75007
- 11710, Plaza America, DR STE 2000 Reston VA 20190
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- 301-1195 RUE Wellington
Montreal Quebec H3C1W1, Canada
- First Tower, A Suite 2000,
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S.E. Calgary Alberta T2G 5E7
- 5925, Airport Road, Suite 200,
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- 160 Elgin Street, 2600,
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- 88 Queens Quay West Suite 2500
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Slough SL11FQ, UK
- Regus House,
Herons Way Chestier Business Park,
Chestier, Cheshire, CH49QR
- Bank House, Leeds , 27 king Street,
Leeds West Yorkshire, LS1 2HL
- Leaf B, 34th Floor, Tower 42,
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Huangpu District, Shanghai, P.R.C
- Suite 259, Building 25, No. 80,
Lane 280, Xiujiang Road,
Zhujing Town,
Jinshan District, Shanghai
- Room 1006, 1st Floor, Building
C2, Area C, No.36 Jintian Park Road,
Chaoyang District, Beijing
- Room N252, Building C4, No.888
Southwest Road, Shahekou District,
Dalian City, Liaoning Province

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Australia
- MELBOURNE, 120 Collins Street,
Level 31 and 50,
120 Collins Street,
Melbourne, 3000 Australia

New Zealand

C/o Amicorp New Zealand Limited,
Level 11, 2 Kitchener Street,
Auckland Central, Auckland, 1010, NZ

AFRICA

Mauritius

C/o SGG Corporate Services (Mauritius) Ltd,
33 Edith Cavell Street,
Port Louis, 11324, Mauritius

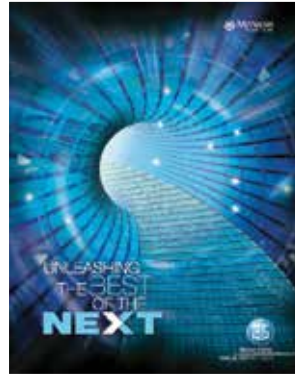
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Notes:

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2015 Unleash the Next
Digital Customer Experience



2016 Unleashing the Best
of the Next



2017 The Perfect Balance



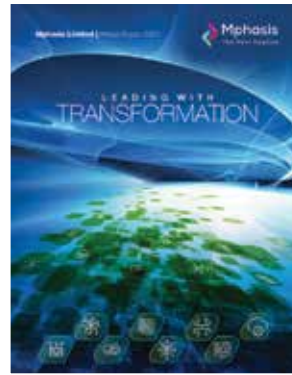
2018 The Next Applied



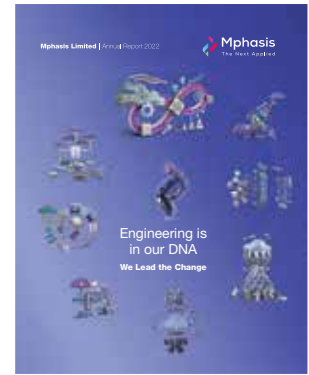
2019 Bringing
'T' back into IT



2020 Breaking Barriers



2021 Leading with
Transformation



2022 Engineering
is in our DNA



2023 The New Era -
Mphasis.ai



2024 Leading the Tech
Forward Future - Mphasis.AI



2025 Growth Powered by AI -
Making AI Real

The market shifts and technological advancements powered by AI have unfolded phenomenal avenues for growth and innovation, propelling us to greater heights of success. We leverage applied AI to deliver real-world impact. AI is no longer just a concept; it's embedded in everything we do — driving innovation and value creation across all facets of business. At Mphasis, we're bringing this vision to life: Making AI Real for all.



About Mphasis

Mphasis' purpose is to be the "*Driver in the Driverless Car*" for Global Enterprises by applying next-generation design, architecture and engineering services, to deliver scalable and sustainable software and technology solutions. Customer centricity is foundational to Mphasis and is reflected in the Mphasis' Front2Back™ Transformation approach. Front2Back™ uses the exponential power of cloud and cognitive to provide hyper-personalized ($C = X2C^2 = 1$) digital experience to clients and their end customers. Mphasis' Service Transformation approach helps 'shrink the core' through the application of digital technologies across legacy environments within an enterprise, enabling businesses to stay ahead in a changing world. Mphasis' core reference architectures and tools, speed and innovation with domain expertise and specialization, combined with integrated sustainability and purpose-led approach across its operations and solutions are key to building strong relationships with marquee clients. To know more, please visit www.mphasis.com | www.mphasis.ai