

# B S R & Co. LLP

Chartered Accountants

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## Independent Auditors' Report

### To the Board of Directors of Mphasis Limited

#### Opinion

We have audited the accompanying condensed consolidated interim financial statements of Mphasis Limited ("Holding Company") and its subsidiaries listed in Annexure I (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the condensed consolidated interim balance sheet as at 30 September 2020, and the condensed consolidated interim statement of profit and loss (including other comprehensive income) for the quarter and year-to-date period then ended, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows for the year-to-date period then ended, and notes to the condensed consolidated interim financial statements, including a summary of significant accounting policies ("the condensed consolidated interim financial statements") and other explanatory information as required by Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") and other accounting principles generally accepted in India.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid condensed consolidated interim financial statements give a true and fair view in conformity with Ind AS 34 and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 30 September 2020, the consolidated profit and other comprehensive income for the quarter and year-to-date period then ended, consolidated changes in equity and its consolidated cash flows for the year-to-date-period 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 Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Condensed Consolidated Interim Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the condensed consolidated interim financial statements.

#### Responsibilities of Management and Those Charged with Governance for the Condensed Consolidated Interim Financial Statements

The Holding Company's management and the Board of Directors are responsible for the preparation and presentation of these condensed consolidated interim financial statements that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with Ind AS 34 prescribed under section 133 of the Act and other accounting principles generally accepted in India.

**Independent Auditors' Report (continued)**

**Responsibilities of Management and Those Charged with Governance for the Condensed Consolidated Interim Financial Statements (continued)**

The respective management and Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of each entity 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the condensed consolidated interim 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 condensed consolidated interim financial statements by the management and Board of Directors of the Holding Company, as aforesaid.

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

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

**Auditor's Responsibilities for the Audit of the Condensed Consolidated Interim Financial Statements**

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

**Independent Auditors' Report (continued)**

**Auditor's Responsibilities for the Audit of the Condensed Consolidated Interim Financial Statements (continued)**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the condensed consolidated interim financial statements made by management and the Board of Directors of the Holding Company.
- Conclude on the appropriateness of the use of the going concern basis of accounting in preparation of condensed consolidated interim financial statements by management and Board of Directors of the Holding Company and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the condensed consolidated interim financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group (Holding Company and subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the condensed consolidated interim financial statements, including the disclosures, and whether the condensed consolidated interim financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the condensed consolidated interim financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of the entities included in the condensed consolidated interim financial statements. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the condensed consolidated interim 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 of the condensed consolidated interim financial statements.

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.

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

Bengaluru  
22 October 2020

**Amit Somani**  
*Partner*  
Membership No. 060154  
UDIN: 20060154AAAIA8394

**Mphasis Limited**

**Annexure I: List of entities consolidated**

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