



**Audited condensed consolidated interim financial statements as at and  
for the quarter and nine months ended 31 December 2024**

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**Mphasis Limited**  
**Condensed consolidated interim financial statements**

<b>CONDENSED CONSOLIDATED INTERIM BALANCE SHEET</b>		(₹ million)
	As at 31 December 2024	As at 31 March 2024
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,838.31	1,967.33
Capital work-in-progress	4.26	136.93
Right-of-use assets	6,910.70	7,248.10
Goodwill	42,895.23	41,792.68
Other intangible assets	5,093.82	4,318.16
Intangible assets under development	-	477.46
<b>Financial assets</b>		
Investments	2,451.57	4,971.41
Trade receivables	2,525.48	2,771.84
Other financial assets	666.08	710.95
Deferred tax assets (net)	3,579.30	2,856.51
Other tax assets (net)	7,497.04	6,419.52
Other assets	1,160.98	1,307.42
<b>Total non-current assets</b>	<b>74,622.77</b>	<b>74,978.31</b>
<b>Current assets</b>		
<b>Financial assets</b>		
Investments	22,961.13	25,927.70
Trade receivables	26,749.27	24,255.63
Cash and cash equivalents	9,049.31	8,049.14
Bank balances other than cash and cash equivalents	364.90	94.51
Loans	116.25	341.97
Other financial assets	1,562.06	1,715.29
Other assets	6,329.82	5,939.83
<b>Total current assets</b>	<b>67,132.74</b>	<b>66,324.07</b>
<b>TOTAL ASSETS</b>	<b>141,755.51</b>	<b>141,302.38</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	1,896.65	1,890.05
Other equity	88,841.90	86,055.95
<b>Total equity</b>	<b>90,738.55</b>	<b>87,946.00</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Lease liabilities	6,289.34	6,750.16
Other financial liabilities	2,446.63	2,422.99
Provisions	566.34	687.80
Deferred tax liabilities (net)	1,518.87	1,299.12
Other tax liabilities (net)	-	150.08
<b>Total non-current liabilities</b>	<b>10,821.18</b>	<b>11,310.15</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	9,636.76	15,435.67
Lease liabilities	1,865.80	1,700.02
Trade payables		
- outstanding dues to micro and small enterprises	19.39	23.98
- outstanding dues to creditors other than micro and small enterprises	9,499.12	7,959.15
Other financial liabilities	10,223.70	8,321.19
Other liabilities	3,120.67	3,079.59
Provisions	2,913.16	2,792.31
Current tax liabilities (net)	2,917.18	2,734.32
<b>Total current liabilities</b>	<b>40,195.78</b>	<b>42,046.23</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>141,755.51</b>	<b>141,302.38</b>

The accompanying explanatory notes form an integral part of these condensed consolidated interim financial statements.

As per our report of even date attached.

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

for and on behalf of the Board of Directors

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022

**Arjun Ramesh**

Partner

Membership No. 218495

**Nitin Rakesh**

Chief Executive Officer &  
Managing Director

Bengaluru

**Maureen Anne Erasmus**

Director

Bengaluru

**Aravind Viswanathan**

Chief Financial Officer

Bengaluru

23 January 2025

**Sivaramakrishnan Puranam**

Senior Vice President & Company Secretary

Bengaluru

Bengaluru

23 January 2025

<b>CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT AND LOSS</b>				(₹ million)
	Quarter ended 31 December 2024	Quarter ended 31 December 2023	Nine months ended 31 December 2024	Nine months ended 31 December 2023
<b>Income</b>				
Revenue from operations	35,613.38	33,379.49	105,199.46	98,664.62
Other income	627.51	542.39	1,950.46	1,536.23
<b>Total income (I)</b>	<b>36,240.89</b>	<b>33,921.88</b>	<b>107,149.92</b>	<b>100,200.85</b>
<b>Expenses</b>				
Employee benefits expense	19,890.00	19,694.65	60,370.41	58,607.46
Finance costs	391.76	528.44	1,294.34	1,109.89
Depreciation and amortization expense	1,324.21	1,034.29	3,409.91	2,797.57
Other expenses	8,943.41	7,678.55	25,384.84	22,225.77
<b>Total expenses (II)</b>	<b>30,549.38</b>	<b>28,935.93</b>	<b>90,459.50</b>	<b>84,740.69</b>
<b>Profit before tax (III) [(I)-(II)]</b>	<b>5,691.51</b>	<b>4,985.95</b>	<b>16,690.42</b>	<b>15,460.16</b>
<b>Tax expense</b>				
Current tax	1,458.70	1,516.35	4,397.92	4,543.03
Deferred tax	(45.26)	(266.41)	(263.97)	(698.89)
<b>Total tax expense</b>	<b>1,413.44</b>	<b>1,249.94</b>	<b>4,133.95</b>	<b>3,844.14</b>
<b>Profit for the period (A)</b>	<b>4,278.07</b>	<b>3,736.01</b>	<b>12,556.47</b>	<b>11,616.02</b>
<b>Other comprehensive income ('OCI')</b>				
<b>Items not to be reclassified to profit or loss in subsequent periods</b>				
Re-measurement losses on defined employee benefit plans	(42.33)	(5.65)	(59.83)	(9.51)
Income tax effect on the above	10.70	1.88	14.54	4.10
<b>Items to be reclassified to profit or loss in subsequent periods</b>				
Exchange differences on translation of financial statements of foreign operations	49.64	209.71	578.37	450.04
Net change in fair value of derivatives designated as cash flow hedges	(774.77)	247.09	(886.21)	935.74
Income tax effect on fair value of derivatives designated as cash flow hedges	194.99	(86.54)	223.04	(326.27)
Net change in fair value of investments in debt instruments carried at fair value through OCI	(2.52)	1.45	10.56	(2.31)
Income tax effect on fair value of investments in debt instruments	0.32	(0.33)	(2.19)	0.45
<b>Total OCI /(losses) for the period, net of tax (B)</b>	<b>(563.97)</b>	<b>367.61</b>	<b>(121.72)</b>	<b>1,052.24</b>
<b>Total comprehensive income for the period (A+B)</b>	<b>3,714.10</b>	<b>4,103.62</b>	<b>12,434.75</b>	<b>12,668.26</b>
<b>Profit for the period attributable to:</b>				
Equity owners of the Company	4,278.07	3,736.01	12,556.47	11,616.02
Non-controlling interests	-	-	-	-
	<b>4,278.07</b>	<b>3,736.01</b>	<b>12,556.47</b>	<b>11,616.02</b>
<b>OCI / (losses) for the period attributable to:</b>				
Equity owners of the Company	(563.97)	367.61	(121.72)	1,052.24
Non-controlling interests	-	-	-	-
	<b>(563.97)</b>	<b>367.61</b>	<b>(121.72)</b>	<b>1,052.24</b>
<b>Total comprehensive income for the period attributable to:</b>				
Equity owners of the Company	3,714.10	4,103.62	12,434.75	12,668.26
Non-controlling interests	-	-	-	-
	<b>3,714.10</b>	<b>4,103.62</b>	<b>12,434.75</b>	<b>12,668.26</b>
<b>Earnings per equity share (par value ₹ 10 per share)</b>				
Basic (₹)	22.58	19.80	66.36	61.60
Diluted (₹)	22.41	19.64	65.88	61.16
Weighted average number of shares – Basic	189,462,390	188,681,509	189,218,419	188,574,582
Weighted average number of shares – Diluted	190,869,840	190,179,345	190,592,607	189,921,867

The accompanying explanatory notes form an integral part of these condensed consolidated interim financial statements.

As per our report of even date attached.

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

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022

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

**Arjun Ramesh**

Partner

Membership No. 218495

**Nitin Rakesh**

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Bengaluru

23 January 2025

**Sivaramakrishnan Puranam**

Senior Vice President & Company Secretary

Bengaluru

Bengaluru

23 January 2025

## CONDENSED CONSOLIDATED INTERIM 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	0.66	6.60
As at 31 December 2024	189.66	1,896.65
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	0.36	3.64
As at 31 December 2023	188.76	1,887.71

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		
	Securities premium	General reserve	Retained earnings	Capital reserve	Capital redemption reserve	Economic re-investment reserve	Special Zone 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 period	-	-	12,556.47	-	-	-	-	-	-	-	12,556.47
Other comprehensive income / (losses), net of tax	-	-	(45.29)	-	-	-	-	(663.17)	8.37	578.37	(121.72)
Total comprehensive income for the period	-	-	12,511.18	-	-	-	-	(663.17)	8.37	578.37	12,434.75
Transactions with owners of the Company											
Dividends	-	-	(10,400.91)	-	-	-	-	-	-	-	(10,400.91)
Issue of shares on exercise of stock options	957.13	29.22	-	-	-	-	(656.21)	-	-	-	330.14
Allotment of bonus shares earlier held in abeyance	-	-	(0.01)	-	-	-	-	-	-	-	(0.01)
Total contributions and distributions	957.13	29.22	(10,400.92)	-	-	-	(656.21)	-	-	-	(10,070.78)
Transferred from Special Economic Zone re-investment reserve	-	-	207.27	-	-	(207.27)	-	-	-	-	-
Share based expenses	-	-	-	-	-	-	421.98	-	-	-	421.98
As at 31 December 2024	3,390.12	2,096.37	69,414.91	361.39	251.66	729.10	2,298.33	(433.58)	4.97	10,728.63	88,841.90
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 period	-	-	11,616.02	-	-	-	-	-	-	-	11,616.02
Other comprehensive income / (losses), net of tax	-	-	(5.41)	-	-	-	-	609.47	(1.86)	450.04	1,052.24
Total comprehensive income for the year	-	-	11,610.61	-	-	-	-	609.47	(1.86)	450.04	12,668.26
Transactions with owners of the Company											
Dividends	-	-	(9,428.66)	-	-	-	-	-	-	-	(9,428.66)
Issue of shares on exercise of stock options	481.62	9.04	-	-	-	-	(326.10)	-	-	-	164.56
Total contributions and distributions	481.62	9.04	(9,428.66)	-	-	-	(326.10)	-	-	-	(9,264.10)
Transferred to Special Economic Zone re-investment reserve	-	-	1,013.53	-	-	(1,013.53)	-	-	-	-	-
Transferred from Special Economic Zone re-investment reserve	-	-	200.64	-	-	(200.64)	-	-	-	-	-
Share based expenses	-	-	-	-	-	-	702.70	-	-	-	702.70
As at 31 December 2023	2,254.81	2,054.14	62,996.33	361.39	251.66	997.80	2,414.24	20.70	(5.08)	10,225.19	81,571.18

Loss of ₹ 45.29 and ₹ 5.41 on re-measurement of defined employee benefit plans (net of tax) is recognised as part of retained earnings for the nine months ended 31 December 2024 and 31 December 2023, respectively.

**Mphasis Limited**  
**Condensed consolidated interim financial statements**

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

- a. **Securities premium** - Securities premium reserve is used to record the premium received on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.
- b. **General reserve** - General reserve represents appropriation of profits. This represents a free reserve and is available for dividend distributions. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the statement of profit and loss.
- c. **Retained earnings** - Retained earnings comprises of prior and current year's undistributed earnings after tax.
- d. **Capital reserve** - ₹ 265.16 million represents receipts during the year ended 31 October 2012, upon termination of Mphasis Employee Welfare Trust, in accordance with the Declaration of Trust made for administration of share-based payment plan in relation to erstwhile employees of Mphasis Corporation. The net assets of the Trust were transferred to the Company upon completion of its objectives in accordance with the provisions of the said Declaration of Trust. The same will be utilized for the purposes as permitted by the Companies Act, 2013. ₹ 94.00 million represents Capital reserve created on redemption of redeemable preference share during the year ended 31 March 2007.
- e. **Capital Redemption Reserve ('CRR')** - Capital Redemption Reserve is created to the extent of the nominal value of the share capital extinguished on buyback of Company's own shares in accordance with Section 69 of the Companies Act, 2013. The reserve will be utilized in accordance with the provisions of section 69 of the Companies Act, 2013.
- f. **Special Economic Zone re-investment reserve** - The Special Economic Zone Re-Investment Reserve has been created out of the profits of eligible SEZ units in accordance with the provisions of section 10AA(1)(ii) of Income Tax Act, 1961. The reserve is required to be utilized by the Company for acquiring 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. **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.
- j. **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.

The accompanying explanatory notes form an integral part of these condensed consolidated interim financial statements.

As per our report of even date attached.

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

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022

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

**Arjun Ramesh**

Partner

Membership No. 218495

**Nitin Rakesh**

Chief Executive Officer & Managing Director

Bengaluru

**Maureen Anne Erasmus**

Director

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Chief Financial Officer

Bengaluru

23 January 2025

**Sivaramakrishnan Puranam**

Senior Vice President & Company Secretary

Bengaluru

Bengaluru

23 January 2025

<b>CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS</b>		<b>(₹ million)</b>
	<b>Nine months ended 31 December 2024</b>	<b>Nine months ended 31 December 2023</b>
<b>Operating activities</b>		
<b>Profit before tax</b>	<b>16,690.42</b>	<b>15,460.16</b>
<b>Adjustments to reconcile profit before tax to net cash provided by operating activities:</b>		
Depreciation and amortization expense	3,409.91	2,797.57
Profit on sale of property, plant and equipment and intangible assets	(15.50)	(16.13)
Net gain on investments carried at fair value through profit and loss	(1,227.26)	(956.51)
Share based payment expenses	421.98	702.70
Provision for expected credit loss	573.28	89.82
Finance costs	1,294.34	1,109.89
Interest income	(612.54)	(379.23)
Gain on lease modifications	(24.95)	(30.72)
Gain on reversal of contingent consideration	-	(875.42)
Unrealized exchange (gain) / loss, net	(141.17)	(24.10)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>20,368.51</b>	<b>17,878.03</b>
<b>Changes in operating assets and liabilities</b>		
Trade receivables	(2,301.41)	(349.17)
Loans	227.97	164.35
Other financial assets	(52.60)	(190.62)
Other assets	(193.27)	2,934.86
Trade payables	1,413.57	(795.55)
Other financial liabilities	827.10	695.58
Other liabilities	16.09	345.77
Provisions	(96.18)	656.78
<b>Total changes in operating assets and liabilities</b>	<b>(158.73)</b>	<b>3,462.00</b>
Income tax paid (net of refunds)	(5,374.83)	(4,637.62)
<b>Net cash flows generated from operating activities (A)</b>	<b>14,834.95</b>	<b>16,702.41</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(533.12)	(619.86)
Proceeds from sale of property, plant and equipment and intangible assets	17.24	17.48
Purchase of investments	(74,362.55)	(54,389.21)
Sale of investments	81,165.58	48,363.31
Interest received	293.82	235.49
Payment for business acquisition, net of cash acquired	(1,261.20)	(12,322.57)
Investments in bank deposits	(275.81)	(423.97)
Redemption / maturity of bank deposits	12.44	418.51
<b>Net cash flows generated from / (used in) investing activities (B)</b>	<b>5,056.40</b>	<b>(18,720.82)</b>
<b>Financing activities</b>		
Proceeds from issue of shares	336.73	168.20
Repayment of borrowings	(18,657.84)	(10,180.58)
Availment of borrowings	12,737.77	23,182.92
Interest paid	(882.72)	(517.72)
Repayment of lease liabilities	(1,319.59)	(1,271.17)
Interest on repayment of lease liabilities	(422.94)	(423.55)
Dividends paid	(10,399.76)	(9,425.07)
<b>Net cash flows (used in) / generated from financing activities (C)</b>	<b>(18,608.35)</b>	<b>1,533.03</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,283.00</b>	<b>(485.38)</b>
Effect of exchange rate changes	(282.83)	(125.45)
Cash and cash equivalents at the beginning of the period	8,049.14	10,441.13
<b>Cash and cash equivalents at the end of the period</b>	<b>9,049.31</b>	<b>9,830.30</b>
<b>Components of cash and cash equivalents</b>		
In current accounts	7,946.51	9,413.25
Deposits with original maturity of less than 3 months	1,102.79	417.02
Cash on hand	0.01	0.03
<b>Total cash and cash equivalents</b>	<b>9,049.31</b>	<b>9,830.30</b>

Non-cash changes relating to foreign exchange loss pertaining to borrowings: ₹ 279.83 [31 December 2023: ₹ 44.95].

The accompanying explanatory notes form an integral part of these condensed consolidated interim financial statements.

As per our report of even date attached.

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

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022

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

**Arjun Ramesh**

Partner

Membership No. 218495

Bengaluru

23 January 2025

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Chief Financial Officer  
Bengaluru

23 January 2025

5

**Maureen Anne Erasmus**

Director

Bengaluru

**Sivaramakrishnan Puranam**

Senior Vice President & Company Secretary  
Bengaluru

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**1. CORPORATE INFORMATION**

The condensed consolidated interim financial statements comprise financial statements of Mphasis Limited ('the Company') and its subsidiaries (collectively referred to as 'the Mphasis Group' or 'the Group') as at and for the quarter and nine months ended 31 December 2024. 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 and sale of products, except for Digital Risk group which renders risk, compliance, and technology related services to customers in the mortgage industry.

The condensed consolidated interim financial statements as at and for the quarter and nine months ended 31 December 2024 have been approved by the Board of Directors on 23 January 2025.

List of subsidiaries with percentage holding			% of holding	
	Country of incorporation	Parent	31 December 2024	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
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 3 (b)).

\*\*\* Acquired w.e.f. 12 October 2023 (refer note 3 (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 condensed consolidated interim financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) 34, Interim Financial Reporting, specified under Section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, (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 condensed consolidated interim 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 condensed consolidated interim 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 material accounting policy information adopted by the Group in preparing the condensed consolidated interim financial statements are the same as those followed in the preparation of the annual consolidated financial statements as at and for the year ended 31 March 2024. These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements and the related notes as at and for the year ended 31 March 2024.

**3. 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
<b>Total</b>		<b>1,801.76</b>	<b>1,801.76</b>
Goodwill			2,754.16
<b>Total purchase price</b>			<b>4,555.92</b>

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.

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		(240.30)	(8.78)	(249.08)
Customer relationships	8 years		412.82	412.82
<b>Total</b>			<b>404.04</b>	<b>163.74</b>
Goodwill				1,275.40
<b>Total purchase price</b>				<b>1,439.14</b>

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 CGU.



**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 condensed 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: (₹ million)

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
Salesforce 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 year	-	4.16	4.16
<b>Total</b>		<b>475.25</b>	<b>2,261.88</b>	<b>2,737.13</b>
Goodwill				7,453.98
<b>Total purchase price</b>				<b>10,191.11</b>

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 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.

**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.

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:

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

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 CGU.

**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: (₹ million)

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
<b>Total</b>		<b>1,396.03</b>	<b>1,396.03</b>
Goodwill			-
<b>Total purchase price</b>			<b>1,396.03</b>

#### 4. FINANCIAL INSTRUMENTS

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

(₹ million)

Particulars (as at 31 December 2024)	FVTPL	FVTOCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortized cost	Total
<b>Financial assets</b>						
Cash and cash equivalents	-	-	-	-	9,049.31	<b>9,049.31</b>
Bank balances other than cash and cash equivalents	-	-	-	-	364.90	<b>364.90</b>
Investments	19,673.02	1,159.01	-	-	4,580.67	<b>25,412.70</b>
Trade receivables	-	-	-	-	29,274.75	<b>29,274.75</b>
Loans	-	-	-	-	116.25	<b>116.25</b>
Derivative assets	-	-	109.48	18.21	-	<b>127.69</b>
Other financial assets	-	-	-	-	2,100.45	<b>2,100.45</b>
<b>Total</b>	<b>19,673.02</b>	<b>1,159.01</b>	<b>109.48</b>	<b>18.21</b>	<b>45,486.33</b>	<b>66,446.05</b>
<b>Financial liabilities</b>						
Borrowings	-	-	-	-	9,636.76	<b>9,636.76</b>
Lease liabilities	-	-	-	-	8,155.14	<b>8,155.14</b>
Trade payables	-	-	-	-	9,518.51	<b>9,518.51</b>
Derivative liabilities	-	-	688.89	111.08	-	<b>799.97</b>
Other financial liabilities	611.80	-	-	-	11,258.56	<b>11,870.36</b>
<b>Total</b>	<b>611.80</b>	<b>-</b>	<b>688.89</b>	<b>111.08</b>	<b>38,568.97</b>	<b>39,980.74</b>
<b>Particulars (as at 31 March 2024)</b>						
<b>Financial assets</b>						
Cash and cash equivalents	-	-	-	-	8,049.14	<b>8,049.14</b>
Bank balances other than cash and cash equivalents	-	-	-	-	94.51	<b>94.51</b>
Investments	28,000.32	1,148.41	-	-	1,750.38	<b>30,899.11</b>
Trade receivables	-	-	-	-	27,027.47	<b>27,027.47</b>
Loans	-	-	-	-	341.97	<b>341.97</b>
Derivative assets	-	-	359.37	32.08	-	<b>391.45</b>
Other financial assets	-	-	-	-	2,034.79	<b>2,034.79</b>
<b>Total</b>	<b>28,000.32</b>	<b>1,148.41</b>	<b>359.37</b>	<b>32.08</b>	<b>39,298.26</b>	<b>68,838.44</b>
<b>Financial liabilities</b>						
Borrowings	-	-	-	-	15,435.67	<b>15,435.67</b>
Lease liabilities	-	-	-	-	8,450.18	<b>8,450.18</b>
Trade payables	-	-	-	-	7,983.13	<b>7,983.13</b>
Derivative liabilities	-	-	52.57	40.99	-	<b>93.56</b>
Other financial liabilities	296.68	-	-	-	10,353.94	<b>10,650.62</b>
<b>Total</b>	<b>296.68</b>	<b>-</b>	<b>52.57</b>	<b>40.99</b>	<b>42,222.92</b>	<b>42,613.16</b>

#### Fair value hierarchy

Particulars	As at 31 December 2024				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
<b>Assets</b>								
Investments	<b>20,832.03</b>	20,254.08	577.95	-	<b>29,148.73</b>	28,604.38	544.35	-
Derivative assets	<b>127.69</b>	-	127.69	-	<b>391.45</b>	-	391.45	-
<b>Liabilities</b>								
Derivative liabilities	<b>799.97</b>	-	799.97	-	<b>93.56</b>	-	93.56	-
Other financial liabilities	<b>611.80</b>	-	-	611.80	<b>296.68</b>	-	-	296.68

#### 5. Taxes

- The Organisation for Economic Co-operation and Development (OECD) has released model rules for global minimum tax ('Pillar Two rules'). Pillar Two rules have been enacted, or substantively enacted, in certain jurisdictions where the Group operates. The Group falls within the scope of the Pillar Two rules and has evaluated the potential exposure to global minimum tax for jurisdictions where these legislations have been enacted. The Group does not anticipate any material financial impact for the current period in these jurisdictions. Additionally, the Group has applied the mandatory deferred tax accounting relief and has not recognized the impact on deferred taxes pursuant to the Pillar Two rules.
- With effect from 1 April 2024, the Company has recognised income tax expenses applying the provisions under section 115BAA of the Income-tax Act, 1961.

#### 6. CONTINGENT LIABILITIES AND COMMITMENTS

- 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, disputes relating to presumptive taxation etc. Claims against the Group in relation to direct taxes and transfer pricing matters not acknowledged as debts amount to ₹ 19,868.62 million (31 March 2024: ₹ 18,290.88 million). Claims against the Group in relation to indirect tax matters not acknowledged as debts amount to ₹ 483.54 million (31 March 2024: ₹ 206.47 million).

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In relation to other tax demands not included above, the Group has furnished bank guarantees amounting to ₹ 6,180.63 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 Group has received notices and inquiries from 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 December 2024: ₹ 63.96 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 ₹ 747.78 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 December 2024: ₹ 76.19 million (31 March 2024: ₹ 278.73 million).
7. 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 Ministry of Labour and Employment ('Ministry') has released draft rules for the Code on 13 November 2020 and has invited suggestions from stake holders. The suggestions received are under consideration by the Ministry. 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.

## 8. 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 in assessing performance. The Group's Chief Operating Decision Maker ('CODM') is the Chief Executive Officer.

The Group has identified business segments as reportable segments. The business segments identified are Banking and Financial Services, Logistics and transportation, Technology Media and Telecom, Insurance, and Others. In the previous year with effect from 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 revised segment results have been disclosed accordingly.

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

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

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

	(₹ million)			
	Quarter ended 31 December 2024	Quarter ended 31 December 2023	Nine months ended 31 December 2024	Nine months ended 31 December 2023
<b>Business segments</b>				
<b>Segment revenue</b>				
Banking and Financial Services	17,305.61	15,684.26	50,499.06	47,347.23
Logistics and Transportation	4,336.52	4,581.33	13,657.12	13,618.68
Technology Media and Telecom	6,029.56	5,219.07	17,339.37	15,848.58
Insurance	4,153.20	3,812.65	11,989.77	10,799.78
Others	3,739.77	4,209.39	11,573.47	11,575.57
Unallocated - hedge	48.72	(127.21)	140.67	(525.22)
<b>Total segment revenue</b>	<b>35,613.38</b>	<b>33,379.49</b>	<b>105,199.46</b>	<b>98,664.62</b>
<b>Segment result</b>				
Banking and Financial Services	4,693.44	4,361.24	13,460.20	12,030.51
Logistics and Transportation	1,601.80	1,535.44	4,603.46	4,215.11
Technology Media and Telecom	1,303.80	1,195.02	4,198.41	4,547.97
Insurance	1,285.17	1,298.49	3,876.90	2,907.55
Others	1,255.64	1,412.04	3,848.13	4,097.02
Unallocated - hedge	48.72	(127.21)	140.67	(525.22)
<b>Total segment result</b>	<b>10,188.57</b>	<b>9,675.02</b>	<b>30,127.77</b>	<b>27,272.94</b>
Finance costs	(391.76)	(528.44)	(1,294.34)	(1,109.89)
Other income	627.51	542.39	1,950.46	1,536.23
Other unallocable expenditure	(4,732.81)	(4,703.02)	(14,093.47)	(12,239.12)
<b>Profit before taxation</b>	<b>5,691.51</b>	<b>4,985.95</b>	<b>16,690.42</b>	<b>15,460.16</b>
Income taxes	1,413.44	1,249.94	4,133.95	3,844.14
<b>Profit after taxation</b>	<b>4,278.07</b>	<b>3,736.01</b>	<b>12,556.47</b>	<b>11,616.02</b>
<b>Geographic revenues</b>				
Americas	28,986.24	26,875.91	85,142.69	79,509.12
India	2,118.65	1,852.63	5,974.25	5,679.34
EMEA	3,609.44	3,878.05	11,276.24	11,224.02
ROW	850.33	900.11	2,665.61	2,777.36
Unallocated - hedge	48.72	(127.21)	140.67	(525.22)
<b>Total</b>	<b>35,613.38</b>	<b>33,379.49</b>	<b>105,199.46</b>	<b>98,664.62</b>

**9. DISAGGREGATION OF REVENUE**

	(₹ million)			
	Quarter ended 31 December 2024	Quarter ended 31 December 2023	Nine months ended 31 December 2024	Nine months ended 31 December 2023
<b>Services rendered</b>				
Application Services	25,486.37	23,687.68	75,086.34	70,152.61
Business Process Services	5,843.14	5,560.70	17,174.24	16,420.96
Infrastructure Services	4,235.15	4,258.32	12,798.21	12,616.27
Unallocated - hedge	48.72	(127.21)	140.67	(525.22)
<b>Total</b>	<b>35,613.38</b>	<b>33,379.49</b>	<b>105,199.46</b>	<b>98,664.62</b>
<b>Delivery location</b>				
Onsite	20,968.76	17,823.65	60,727.53	52,038.30
Offshore	14,595.90	15,683.05	44,331.26	47,151.54
Unallocated - hedge	48.72	(127.21)	140.67	(525.22)
<b>Total</b>	<b>35,613.38</b>	<b>33,379.49</b>	<b>105,199.46</b>	<b>98,664.62</b>
<b>Project type</b>				
Time and material	20,498.13	19,537.21	62,048.66	57,704.19
Fixed price	11,307.48	10,591.94	32,065.56	31,363.63
Transaction based	3,759.05	3,377.55	10,944.57	10,122.02
Unallocated - hedge	48.72	(127.21)	140.67	(525.22)
<b>Total</b>	<b>35,613.38</b>	<b>33,379.49</b>	<b>105,199.46</b>	<b>98,664.62</b>
<b>Market</b>				
Direct	34,097.18	31,975.00	100,679.88	94,366.85
DXC	963.20	967.50	2,805.68	3,170.74
Others	504.28	564.20	1,573.23	1,652.25
Unallocated - hedge	48.72	(127.21)	140.67	(525.22)
<b>Total</b>	<b>35,613.38</b>	<b>33,379.49</b>	<b>105,199.46</b>	<b>98,664.62</b>

**10. HEDGING ACTIVITIES AND DERIVATIVES**

The Group's revenue is denominated in various foreign currencies. Given the nature of business, a large part of the costs are denominated in INR. This exposes the Group to currency fluctuations. The Group uses foreign exchange forward contracts to manage exposure on some of its transactions. The counterparty, for all derivative financial instruments is a bank.

The Group has taken cash flow hedges on account of highly probable forecast transactions. Designated cash flow hedges are measured at Fair Value Through OCI. 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 have been designated as cash flow hedges:

As at 31 December 2024				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	212	630.50	(678.24)	313	587.50	314.97	
GBP	9	9.74	20.99	18	4.17	(8.27)	
EUR	8	16.20	77.84	16	7.90	0.10	
<b>Total</b>			<b>(579.41)</b>			<b>306.80</b>	

The Group has entered into derivative instruments not in hedging relationship by way of foreign exchange forwards. As at 31 December 2024 and 31 March 2024, the notional amount of outstanding contracts (sell) aggregated to ₹ 28,562.13 million and ₹ 22,157.96 million, respectively and the notional amount of outstanding contracts (buy) aggregated to ₹ 3,213.33 million and ₹ 3,641.42 million, respectively. Fair value of these contracts have a net loss of ₹ (92.87) million and ₹ (8.91) million as at 31 December 2024 and 31 March 2024 respectively.

The movement in cash flow hedging reserve for derivatives designated as cash flow hedge is as follows:

	Nine months ended 31 December 2024	Nine months ended 31 December 2023
Balance at the beginning of the period	229.59	(588.77)
Change in fair value of effective portion of cash flow hedges	(745.54)	410.52
(Gain)/ loss transferred to statement of profit and loss on occurrence of forecasted hedges	(140.67)	525.22
Income tax effect on the above	223.04	(326.27)
<b>Total</b>	<b>(433.58)</b>	<b>20.70</b>

**Sensitivity analysis**

For every 1% appreciation / depreciation of the respective underlying foreign currencies, the Group's OCI will decrease / increase by approximately ₹ 544.78 million (31 March 2024: ₹ 484.43 million).

**11.** During the nine months ended 31 December 2023, contingent consideration amounting to ₹ 875.42 million which is no longer payable has been reversed.

## 12. RELATED PARTY TRANSACTIONS

During the quarter ended 30 September 2024, the Company paid an amount of ₹ 3,776.83 million (net of withholding taxes amounting to ₹ 419.65 million) to BCP Topco IX Pte., towards final dividend for the year ended 31 March 2024 as approved by the shareholders.

During the previous year, the Company paid an amount of ₹ 4,715.98 million (net of withholding taxes amounting to ₹ 523.99 million) to BCP Topco IX Pte. Ltd., towards final dividend for the year ended 31 March 2023 as approved by the shareholders.

### Remuneration to Key Management Personnel

Marble II Pte Ltd. ('Marble') (being the erstwhile Promoter of the Company) had 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. During the nine months ended 31 December 2023 Marble has, since its exit as a shareholder of the Company, made payments of ₹ 190.80 million in aggregate under the ERI Plan to the key management personnel of the Group.

### Expenses incurred on behalf of related parties.

₹ 252.47 million represents the amounts paid by Marble during the nine months ended 31 December 2023 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.

Other than the above, the Group did not have any other material related party transactions and outstanding balances as at and for the quarter and nine months ended 31 December 2024 and 31 December 2023.

## 13. FINAL DIVIDEND

The Board of Directors at their meeting held on 25 April 2024 had proposed a final dividend of ₹ 55 per equity share for the year ended 31 March 2024 which was approved by the shareholders at the Annual General Meeting held on 25 July 2024 and has been paid during the previous quarter.

## 14. SUBSEQUENT EVENTS

On 9 January 2025, the Company through its wholly owned subsidiary, Mphasis Corporation entered into a framework agreement with tsQs Inc to acquire their software testing business focused on servicing an identified customer of the Group for a consideration of USD 27 million (including a contingent consideration of USD 15 million). As of the date of the Board approving the financial statements, the closing conditions have not been met and hence the acquisition has not been consummated.

As per our report of even date attached.

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

*Chartered Accountants*

ICAI Firm registration number: 101248W/W-100022

for and on behalf of the Board of Directors

**Arjun Ramesh**

*Partner*

Membership No. 218495

Bengaluru

23 January 2025

**Nitin Rakesh**

*Chief Executive Officer &*

*Managing Director*

Bengaluru

**Aravind Viswanathan**

*Chief Financial Officer*

Bengaluru

23 January 2025

**Maureen Anne Erasmus**

*Director*

Bengaluru

**Sivaramakrishnan Puranam**

*Senior Vice President & Company Secretary*

Bengaluru