

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS/ BENEFICIAL OWNERS OF THE EQUITY SHARES OF MPHASIS LIMITED FOR THE BUY-BACK OF EQUITY SHARES THROUGH TENDER OFFER UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018, AS AMENDED.

This Public Announcement (the "Public Announcement") is being made pursuant to the provisions of Regulation 7(i) of the Securities and Exchange Board of India (Buv-Back of Securities) Regulations, 2018, as amended (the "Buy-back Regulations") and contains the disclosures as specified in Schedule II to the Buyback Regulations read with Schedule I of the Buy-back Regulations.

OFFER TO BUY-BACK UP TO 7,320,555 (SEVEN MILLION THREE HUNDRED TWENTY THOUSAND FIVE HUNDRED FIFTY FIVE) FULLY PAID UP EQUITY SHARES OF THE COMPANY OF FACE VALUE OF Rs. 10/- EACH (RUPEES TEN ONLY) ("EQUITY SHARES") AT A PRICE OF Rs. 1,350/- (RUPEES ONE THOUSAND THREE HUNDRED AND FIFTY ONLY) PER EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER METHOD.

- 1. DETAILS OF THE BUY-BACK OFFER 1.1. The Board of Directors of Mphasis Limited (the "Company") (the Board of Directors of the Company hereinafter referred to as the "Board"), at their meeting held on August 7, 2018 (the "Board Meeting"), pursuant to the provisions of Article 54A of Articles of Association of the Company and applicable provisions of the Companies Act, 2013, as amended (the "Companies Act") and in compliance with the Securities & Exchange Board of India (Buy-Back of Securities) Regulations, 1998 (which has been repealed and replaced by the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 with effect from 11 September 2018) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board, approved the Buy-back by the Company of up to 7.320.555 (Seven Million Three Hundred Twenty Thousand Five Hundred and Fifty Five) fully paid up Equity Shares representing 3.79% of the fully paid-up Equity Shares capital of the Company at a price of not exceeding Rs. 1,350/- (Rupees One Thousand Three Hundred and Fifty only) per Equity Share payable in cash for an aggregate amount of up to Rs. 9,882.75 million (Rupees Nine Thousand Eight Hundred and Eighty Two Million and Seven Hundred and Fifty Thousand only), excluding any expenses incurred or to be incurred for the Buy-back viz. brokerage, applicable taxes such as securities transaction tax, goods and service tax, stamp duty, advisors fees, printing and dispatch expenses and other incidental and related expenses (the "Transaction Costs"), which does not exceed 25% of the fully paid-up equity share capital and free reserves as per the audited financial statements of the Company as at and for the period ended June 30, 2018, through the "tender offer" method as prescribed under the Buy-back Regulations on a proportionate basis, from the equity shareholders/beneficial owners of the Equity Shares of the Company as of the Record Date (the process being referred hereinafter as "Buy-back"), subject to the approval of the equity shareholders of the Company. The equity shareholders approved the Buy-back, by way of a special resolution, through postal ballot notice dated August 07, 2018 (including e-voting), the results of which were announced on September 28, 2018. The equity shareholders of the Company authorized the Board (unless repugnant to the context or meaning thereof, be deemed to include a duly authorized "Buy-back Committee") to finalize the terms of the Buy-back, including the amount to be utilized towards the Buy-back and the time frame therefor within the aforesaid limits. Subsequently, the Buy-back Committee vide its resolution dated October 1, 2018 determined the final Buy-back Price of Rs. 1,350/- (Rupees One Thousand Three Hundred and Fifty only) per Equity Share (the "Buy-back Price") and the total amount for Buy-back i.e., Rs. 9,882,749,250/- (Rupees Nine Billion Eight Hundred Eighty Two Million Seven Hundred Forty Nine Thousand Two Hundred and Fifty only) ("Buy-back Size"), excluding the Transaction Costs. 1.2. The Buy-back is in accordance with Article 54A of the Articles of Association of the Company, Sections 68, 69 and
- 70 and all other applicable provisions of the Companies Act, the Companies (Share Capital and Debenture) Rules 2014, the Companies (Management and Administration) Rule, 2014 and the Buy-back Regulations. 1.3. The Buy-back is subject to receipt of any approvals, permissions and sanctions of statutory, regulatory or
- governmental authorities as may be required under applicable laws, including the Securities and Exchange Board of India ("SEBI"), and the stock exchanges on which the Equity Shares of the Company are listed, namely, National Stock Exchange of India Limited (the "NSE") and the BSE Limited (the "BSE") (hereinafter together referred to as the "Stock Exchanges").
- 1.4. This Buy-back is subject to the grant of certain exemptions and no action relief by the staff of the U.S. Securities and Exchange Commission prior to the commencement of the tendering period in order to allow the Buy-back offer to be made to U.S. Eligible Sellers without breaching the rules under the U.S. Securities Exchange Act of 1934 (as amended).
- 1.5. This Buy-back from non-resident members, Overseas Corporate Bodies (OCBs) and Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs), and members of foreign nationality, if any, etc. is subject to such approvals as may be required including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder, if any, and such approvals shall be required to be taken by such non-resident members.
- 1.6. The Buy-back shall be undertaken on a proportionate basis from the equity shareholders of the Company as on the Record Date (as defined below) ("Eligible Sellers") through the tender offer process prescribed under Regulation 4(iv)(a) of the Buy-back Regulations. Additionally, the Buy-back shall be, subject to applicable laws, facilitated by tendering of Equity Shares by Eligible Sellers and settlement of the same through the stock exchange mechanism as specified by SEBI in its circular bearing reference number CIR, CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular bearing reference number and CFD/DCR2/ CIR/P/2016/131 dated December 09, 2016 ("SEBI Circulars"). In this regard, the Company will request NSE and BSE to provide the acquisition window. For the purposes of this Buy-back, BSE is the designated stock exchange.
- 1.7. In terms of the Buy-back Regulations, under the tender offer method, the promoter has the option to participate in the Buy-back. In this regard, Marble II Pte Ltd, the promoter of the Company, vide its letters dated August 7, 2018 and September 14, 2018 has expressed its intention to participate in the Buy-back. The extent of its participation in the Buy-back has been detailed in paragraph 7 of this Public Announcement. The promoter of the Company is already in control over the Company and therefore change in voting rights, if any, of the promoter, due to the Buy-back, will not result in change in control over the Company.
- 1.8. The Buy-back of Equity Shares may be subject to taxation in India and in the country of residence of the Eligible Sellers. In due course, Eligible Sellers will receive a letter of offer, which will contain a detailed note on taxation. However, in view of the particularized nature of tax consequences Eligible Sellers are required to consult their tax advisors for the applicable tax provisions including the treatment that may be given by their respective tax officers in their case, and the appropriate course of action that they should take in this regard.
- 1.9. A copy of this Public Announcement is available on the website of the Company at www.mphasis.com and is expected to be available on the website of the SEBI at www.sebi.gov.in during the period of Buy-back and on the website of the stock exchanges at www.nseindia.com and www.bseindia.com

2 NECESSITY OF THE BUY-BACK

- 2.1. The Buy-back is being undertaken by the Company to effectively utilize surplus cash by rewarding the equity shareholders. The Buy-back of Equity Shares will result in reduction of paid up equity share capital which may be accompanied by likely increase in Return on Capital Employed. The Company believes that the Buyback may create long term value for the equity shareholders. The Buy-back through "tender offer" method as specified under the Buy-back Regulations gives an option to existing equity shareholders to either receive the surplus cash by participating in the Buy-back or remain invested and enjoy percentage increase in the shareholding in the post Buy-back capital without any additional investments.
- 2.2. The Buy-back through "tender offer" method, inter-alia, offers the following advantages:-
- (a) The Buy-back helps the Company to distribute surplus cash to its shareholders in proportion to their
- (b) The Buy-back involves allocation of 15% reservation to small shareholders subject to their entitlement. The Company believes that this reservation for small shareholders would benefit a large number of public shareholders, who would get classified as "Small Shareholders";
- (c) The Buy-back may help in improving return on equity, by reduction in the equity base, and other financial ratios, thereby leading to long term increase in shareholders' value; and
- (d) The Buy-back gives an option to the existing shareholders to either participate in the Buy-back and receive cash in lieu of equity shares accepted under the Buy-back or not participate in the Buy-back and enjoy a resultant increase in their percentage shareholding in the Company post the Buy-back

3. MAXIMUM NUMBER OF SECURITIES THAT THE COMPANY PROPOSES TO BUY-BACK

3.1. The Company proposes to Buy-back not exceeding 7,320,555 (Seven Million Three Hundred Twenty Thousand Five Hundred and Fifty Five) Equity Shares of face value of Rs. 10/- (Rupees Ten only) each of the

4. BUY-BACK PRICE AND BASIS OF DETERMINING THE PRICE OF THE BUY-BACK

- 4.1. The Buy-back Price of Rs. 1.350/- (Rupees One Thousand Three Hundred and Fifty only) per Equity Share has been arrived at after considering various relevant factors including the volume weighted average market price of the equity shares and net worth of the Company. 4.2. The Buy-back Price represents:
- (a) Premium of 22.80% on BSE and 29.23% on NSE over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, for the 90 (ninety) days preceding the date of intimation to the Stock Exchanges of the Board Meeting to consider the proposal of the Buy-back;
- Equity Shares on BSE and NSE, respectively, for the 60 (sixty) days preceding the date of intimation to the Stock Exchanges of the Board Meeting to consider the proposal of the Buy-back; (c) Premium of 18.60% on BSE and 17.00% on NSE over the volume weighted average market price of the

(b) Premium of 19.99% on BSE and 20.27% on NSE over the volume weighted average market price of the

- Equity Shares on BSE and NSE, respectively, for the 14 (fourteen) days preceding the date of intimation to the Stock Exchanges of the Board Meeting to consider the proposal of the Buy-back; and
- (d) Premium of 14.88% on BSE and 14.53% on NSE over the closing market price of the Equity Shares on BSE and NSE, respectively, as on the date of intimation of the Board Meeting for considering the Buy-back.
- MAXIMUM AMOUNT REQUIRED UNDER THE BUY-BACK AND ITS PERCENTAGE OF THE TOTAL PAID UP CAPITAL AND FREE RESERVES AND SOURCE OF FUNDS FROM WHICH BUY-BACK WOULD BE FINANCED
- 5.1. The aggregate paid-up equity share capital and free reserves (including securities premium account) of the Company as at June 30, 2018, on a standalone basis, was Rs. 39,531.02 million (Rupees Thirty Nine Thousand Five Hundred Thirty One million and Two Thousand only). Under section 68(2)(c) of the Companies Act and Regulation 4(i) of the Buy-back Regulations, the funds deployed for the Buy-back shall not exceed 25% of the total paid-up equity share capital and free reserves (including securities premium account) of the Company for the current financial year under shareholder approval route. Accordingly, the Company has proposed to utilise the maximum amount not exceeding Rs. 9,882.75 million (Rupees Nine Thousand Eight Hundred Eighty Two Million and Seven Hundred Fifty Thousand only), excluding the Transaction Costs for the Buy-back, which is within the aforesaid maximum limit of 25% of the total paid-up equity capital and free reserves (including securities premium account) of the Company as per audited standalone financial

statements of the Company as at and for the guarter ended June 30, 2018.

- 5.2. Subsequent to the 3 (three) months period ended on 30 June 2018, and until the receipt of the approval of the shareholders for the Buyback, the Company has allotted 12.247 (Twelve Thousand Two Hundred and Forty Seven) equity shares on account of exercise of Restricted Stock Units under Restricted Stock Units Plan 2014, 21,000 (Twenty One Thousand) equity shares on account of exercise of Restricted Stock Units under Restricted Stock Units Plan 2015 and 70,710 (Seventy Thousand Seven Hundred and Ten) equity shares on account of exercise of stock options under Employee Stock Options Plan 2016, thus aggregating to allotment of 1,03,957 (One Lakh Three Thousand Nine Hundred and Fifty Seven) equity shares.
- 5.3. The company has not issued any equity shares or other specified securities from the date of receipt of approval of the shareholders for the Buy-back and shall not issue any equity shares or other specified securities including by way of bonus, employees' stock options till the date of expiry of the buyback period (as defined under the Buy-back Regulations) ("Buyback Period")* for the present Buy-back offer under the

*Note: For the purposes of the present Buy-back, the expression "buyback period" means the period between the date of declaration of results of the postal ballot for special resolution to authorize the Buy-back of the Equity Shares of the Company and the date on which the payment of consideration to shareholders who have accepted the Buy-back offer is made

MPHASIS LIMITED

Registered Office: Bagmane World Technology Center, Marathahalli Outer Ring Road, Doddanakhundi Village, Mahadevapura, Bengaluru - 560 048, India Corporate Identification Number (CIN): L30007KA1992PLC025294; Phone: +91 80 6750 1000; Fax: +91 80 6695 9943; Email: investor relations@mphasis.com; Website: www.mphasis.com; Compliance Officer: Mr. Subramanian Narayan

- 5.4. The funds for the implementation of the Buy-back will be financed out of internal accruals of the Company. The Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares bought back through the Buy-back to the capital redemption reserve account and the details of such transfer shall be disclosed in its subsequent audited financial statements.
- 5.5. The ratio of the aggregate of secured and unsecured debts owed by the Company will be not more than twice the paid-up capital and free reserves after the Buy-back (or such other higher ratio of the debt to capital and free reserves for the Company that has been notified under the Companies Act) (as on date no such higher ratio has been prescribed by the Companies Act).
- 5.6. The funds borrowed, if any, from banks and financial institutions will not be used for the Buy-back DETAILS OF SHAREHOLDING OF PROMOTERS, DIRECTORS OF THE PROMOTER, PERSON IN CONTROL. DIRECTORS AND KEY MANAGERIAL PERSONNEL OF THE COMPANY
- 6.1. The aggregate shareholding in the Company, of the promoter/person in control of the Company, directors of the promoter and directors and key managerial personnel of the Company as on the date of postal ballot notice dated August 7,2018 ("Notice") is given below:
 - (a) Shareholding of the companies/entities forming part of the promoter and person in control of the Company:

1 MARBLE PTE LTD 101,230,853 5:	Sı	r. No.	Name of Shareholder	Number of Equity Shares	% of Equity Share capital of the Compan
		1	MARBLE II PTE LTD	101,230,853	52.

None of the directors of the promoter of the Company hold any shares of the Company as on the date of the Notice

(d) Aggregate shareholding of key managerial personnel of the Company

(b) Shareholding of directors of the promoter (mentioned in point (a) above):

(c) Aggregate shareholding of directors of the Company: The directors of the Company do not hold any equity shares in the Company.

	Sr No	Name	No. of Equity Shares Held	% shareholding		
	1	Mr. Subramanian Narayan	VP and Company Secretary	2,660	*	
	2	Mr. Suryanarayanan V	EVP and Chief Financial Officer	20,416	0.01	
HI II 0 040'						

represents average sale price

The above mentioned key managerial personnel of the Company have not undertaken any transaction (either purchase/ sale/ inter-se transfer) during the period of 6 (six) months preceding August 7, 2018 being the date of the Board Meeting at which the Buy-Back was approved

6.2. The aggregate number of equity shares of the Company purchased or sold by promoter, persons in control of the Company for a period of six (6) months preceding August 7, 2018 being the date of the Board Meeting at which the Buy-Back was approved, and from that date till the date of the Notice, together with the details of maximum and minimum price paid for such transaction are given below.

Name	no. of shares purchased or (sold)	Nature of trans- action	Max- imum price (Rs.)	Date of maximum price	price (Rs.)	Date of minimum price
Promoters						
MARBLE II PTE LTD	(15,460,815)	Open market sale	960.1*	14 May 2018	960.1*	14 May 2018

- 6.3. The directors of Marble II Pte Ltd, which is the promoter and person in control of the Company, have not purchased or sold equity shares of the Company for a period of 6 (six) months preceding August 7, 2018 being the date of the Board Meeting at which the Buy-Back was approved, and from that date till the date of
- SHARES FOR BUY-BACK INDICATING THE NUMBER OF SHARES, DETAILS OF ACQUISITON WITH DATES AND PRICE: 7.1. Marble II Pte Ltd, promoter and person in control of the Company, has expressed its intention by its letters dated August 7, 2018 and September 14, 2018 to participate in the Buy-back to the extent of its entitlement in

INTENTION OF THE PROMOTERS/ PERSON IN CONTROL OF THE COMPANY TO TENDER EQUITY

up to an aggregate maximum of 101,230,853 (One Hundred and One Million Two Hundred Thirty Thousand Eight Hundred Fifty Three) Equity Shares 7.2. Details of the date and price of acquisition of the Equity Shares that the Promoter intends to tender are

the Company and such additional equity shares as maybe permitted by the law and the terms of the Buy-back,

Sr. No.	Date of Acquisition/ Sale	No. of Equity Shares	Cost of Acquisition/ (Sale Price) per Equity Share (Rs.)	Cost of Acquisition/ (Sale Consideration) (Rs. in Lakhs)	Nature of Transaction
1	24 August 2016	2,178	457.54	9.97	Acquisition from public shareholders under the open offer
2	1 September 2016	127,106,266	430.00	546,556.94	Acquisition of Equity Shares from the erstwhile promoters of the Company namely EDS Asia Pacific Holdings (83,002,201 Equity Shares), EDS World Corporation (Far East) LLC (44,104,064 Equity Shares) and EDS World Corporation (Netherlands) LLC (1 Equity Share)
3	2 June 2017	(10,416,776)	(635.00)	(66,146.53)	Shares tendered under the earlier buy-back offer of the Company
4	14 May 2018	(15,460,815)	(960.1)*	(148,437.23)	Open market sale
	Total	101,230,853		331,983.15	

*Represents average sale price Note: Figures in brackets denotes reduction in stake of Marble II Pte Ltd.

- CONFIRMATIONS FROM THE COMPANY AS PER THE PROVISIONS OF THE BUY-BACK REGULATIONS AND
- 8.1. The Company has neither accepted any public deposits nor issued any debentures or preference shares till date. The Company confirms that there are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banks
- 8.2. All the equity shares which the Company proposes to buy back are fully paid up.
- 8.3. The Company as per provisions of Section 68(8) of the Act, shall not make further issue of the same kind of equity shares or other specified securities within a period of 6 (six) months after the completion of the Buy-back except by way of bonus shares or equity shares issued to discharge subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion preference shares or debentures into equity shares.
- 8.4. The Company shall not issue any equity shares or other specified securities (including by way of bonus and employees' stock option) from the date of declaration of results of the postal ballot for special resolution authorizing the Buy-back till the date on which the payment of consideration to shareholders who have accepted the buyback offer is made.
- 8.5. The Company shall not raise further capital for a period of 1 (one) year from the expiry of the Buyback Period (as defined earlier), except in discharge of its subsisting obligations such as exercise of stock options and restricted stock units issued to its employees.
- 8.6. The special resolution approving the Buy-back will be valid for a maximum period of 1 (one) year from the date of passing the said special resolution (or such extended period as may be permitted under the Act or the Buy-back Regulations or by the appropriate authorities). The exact time table for the Buy-back shall be decided by the Board (or its duly constituted Committee) within the above time limits.
- 8.7. The equity shares bought back by the Company will be compulsorily cancelled and will not be held for re-
- 8.8. The Company shall not withdraw the Buy-back after the draft letter of offer is filed with SEBI or the public announcement of the offer to Buy-back is made. 8.9. The Company shall not buy-back locked-in equity shares and non-transferable equity shares till the pendency
- of the lock-in or till the equity shares become transferable. 8.10. The Company shall not buy-back its equity shares from any person through negotiated deal whether on or off
- the stock exchanges or through spot transactions or through any private arrangement. 8.11. The Company shall not directly or indirectly purchase its own equity shares through (i) any subsidiary
- company including its own subsidiary companies or; (ii) through any investment company or group of investment companies 8.12. The aggregate amount of the Buy-back i.e. Rs. 9,882.75 Million (Rupees Nine Thousand Eight Hundred
- and Eighty Two Million and Seven Hundred and Fifty Thousand) does not exceed 25% of the paid-up equity capital and free reserves, as per the audited financial statements of the Company for the quarter ended June 30, 2018.
- 8.13. The funds borrowed from banks and financial institutions will not be used for the Buy-back Offer. 8.14. The ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice
- the paid-up equity share capital and free reserves after the Buy-back (or such other higher ratio of the debt to capital and free reserves for the Company that has been notified under the Companies Act) (as on date no such higher ratio having been prescribed by the Companies Act).
- 8.15. The Company shall not make any offer of buy-back within a period of 1 (one) year reckoned from the date of expiry of the Buyback Period of the current buy-back offer.
- 816. The Company has been in compliance with Sections 92, 123, 127 and 129 of the Act.

CONFIRMATIONS FROM THE BOARD The Board has confirmed that it has made full enquiry into the affairs and prospects of the Company and has

- formed the opinion that: 9.1. Immediately following the date of the Board Meeting convened for approving the Buy-back i.e., August 7, 2018
- and the date of declaration of results of the Postal Ballot i.e., September 28, 2018 approving the Buy-back, there will be no grounds on which the Company could be found unable to pay its debts* 9.2. As regards the Company's prospects for the year immediately following the date of the Board Meeting i.e.,
- August 7, 2018 and the date of declaration of results of the Postal Ballot i.e., September 28, 2018, having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one (1) year from that date;** and 9.3. In forming their opinion aforesaid, the Board has taken into account the liabilities (including prospective and
- contingent liabilities) as if the Company were being wound up under the provisions of the Companies Act and Insolvency and Bankruptcy Code, 2016 (to the extent notified and in force)

**Note: The Board, in its resolution passed in its meeting held on August 7, 2018, stated that for the purposes

of calculation of the period of 1 (one) year in relation to its opinion regarding the solvency of the Company, the date of passing of the special resolution by the shareholders of the Company (by way of postal ballot) would be considered to be within 45 (forty-five) days from the passing of the resolution by the Board;. The results of the postal ballot were announced on September 28, 2018 and, accordingly, the Buy-back Committee of the Board has recommended to the Board that the reference to the date of passing of the special resolution in the said board resolution dated August 7, 2018 be read as September 28, 2018. This recommendation has been included in the agenda for the Board meeting scheduled to be held over October 17, 2018 and October 18, 2018 for being taken up by the Board in the scheduled meeting.

10. REPORT ADDRESSED TO THE BOARD OF DIRECTORS BY THE COMPANY'S AUDITORS ON PERMISSIBLE CAPITAL PAYMENT AND OPINION FORMED BY DIRECTORS REGARDING INSOLVENCY

The text of the report dated August 07, 2018 read with the clarification letter*** dated September 26, 2018 received from BSR & Co. LLP, Chartered Accountants, the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below.

The Board of Directors Mphasis Limited

Bagmane World Technology Centre,

Marathalli Outer Ring Road, Doddanakhundi Village

Mahadevapura, Bangalore - 560 048

Statutory Auditors' Report in respect of proposed buy back of equity shares by Mphasis Limited ('the Company') in terms of clause (xi) of Schedule I of the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended (the "SEBI Buyback Regulations")

of Directors of Mphasis Limited have approved a proposed buy-back of equity shares by the Company at its meeting held on 7 August 2018, in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 ('the Act') and the SEBI Buyback Regulations.

1. This report is issued in accordance with the terms of our engagement letter dated 7 August 2018. The Board

The accompanying Statement of permissible capital payment ('Annexure A') as at 30 June 2018 (hereinafter referred together as the "Statement") is prepared by the Management, which we have initialed for identification

Management's Responsibility for the Statement

The preparation of the Statement in accordance with Section 68(2)(c) of the Companies Act, 2013 and the compliance with the SEBI Buyback Regulations, is the responsibility of the Management of the Company, including the computation of the amount of the permissible capital payment, the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the

Auditors' Responsibility

- Pursuant to the requirements of the SEBI Buyback Regulations, it is our responsibility to provide reasonable assurance:
- whether we have inquired into the state of affairs of the Company in relation to the audited standalone financial statements for the guarter ended 30 June 2018;
- b) if the-amount of permissible capital payment as stated in Annexure A, has been properly determined considering the audited standalone financial statements in accordance with Section 68(2)(c) of the c) if the Board of Directors in their meeting dated 7 August 2018, have formed the opinion as specified in clause
- (x) of Schedule I to the SEBI Buyback Regulations, on reasonable grounds and that the Company will not having regard to its state of affairs, be rendered insolvent within a period of one year from that date. The standalone financial statements referred to in paragraph 4 above, which we have considered for the
- purpose of this report, have been audited by us, on which we have issued an unmodified audit opinion vide our report dated 7 August 2018. We conducted our examination of the Statement in accordance with the Guidance Note on Reports of
- Certificates for Special purposes, issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute o Chartered Accountants of India.
- We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

- 8. Based on inquiries conducted and our examination as above, we report that:
 - a) We have inquired into the state of affairs of the Company in relation to its audited standalone financial statements as at and for the guarter ended 30 June 2018;
 - b) The amount of permissible capital payment (including premium) towards the proposed buy back of equity shares as computed in the Statement attached herewith is, in our view properly determined in accordance with Section 68(2) (c) of the Act. The amounts of share capital and free reserves have been extracted from the audited standalone financial statements of the Company as at and for the quarter ended 30 June 2018; and
 - c) The Board of Directors of the Company, in their meeting held on 7 August 2018 have formed their opinion as specified in clause (x) of Schedule I to the SEBI Buyback Regulations, on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of passing the Board meeting resolution dated 7 August 2018 and one year from the date on which the results of the postal ballot will be declared.

This report has been issued at the request of the Company solely for use of the Company (i) in connection with the proposed buy-back of equity shares of the Company in pursuance to the provisions of Section 68 and other applicable provisions of the Companies Act, 2013 and the SEBI Buyback Regulations, (ii) to enable the Board of Directors of the Company to include in the public announcement, draft letter of offer, letter of offer and other documents pertaining to buy-back to be sent to the shareholders of the Company or filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges, public shareholders and any other regulatory authority as per applicable law and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (iii) for providing to the managers, each for the purpose-of

extinguishment of equity shares and may not be suitable for any other purpose. For B S R & Co. LLP Chartered Accountants Firm's Registration Number: 101248W/W-100022

Bengaluru Partner 7 August 2018 Membership No: 218495

Annexure A

Statement of permissible capital payment (Rs. In Lakhs)

Particulars Particulars	Amount
Paid up equity share capital as on 30 June 2018*	19,331.96
(193,313,151 equity shares of face value Rs. 10 each)	
Free reserves as on 30 June 2018*:	
General reserve	7,420.67
Retained earnings	367,335.66
Securities premium account	1,221.95
Total Control of the	395,310.24
Maximum amount permissible for buy-back under Section 68 of the Companies Act, 2013 (25%	98,827.56
of the total paid up capital and free reserves)	
Amount proposed by Board Resolution dated 7 August 2018 approving the Buyback, subject to	98,827.56
shareholders approval by special resolution, based on the audited accounts for the quarter ended	
30 June 2018	

*Calculation in respect to the Buyback is done on basis of interim condensed standalone audited financial statements of the Company as of and for the guarter ended 30 June 2018

For Mphasis Limited

Date: 7 August 2018

V Suryanarayanan EVP and Chief Financial Officer Place: Bengaluru

*** The clarification letter dated September 26, 2018 was issued by BSR & Co. LLP, Chartered Accountants to substitute the reference to Securities & Exchange Board of India (Buy-Back of Securities) Regulations, 1998 in their report dated August 07, 2018 with the corresponding provisions of Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018.

11. RECORD DATE AND SHAREHOLDER'S ENTITLEMENT

- 11.1. As required under the Buy-back Regulations, the Company has fixed October 25, 2018 as the record date (the "Record Date") for the purpose of determining the entitlement and the names of the equity shareholders who are eligible to participate in the Buy-back. The Equity Shares proposed to be bought back by the Company shall be divided into two categories viz. (a) reserved category for small shareholders and (b) the general category for all shareholders
- 112 As defined in the Buy-back Regulations, a "Small Shareholder" is a shareholder who holds Equity Shares having market value, on the basis of closing price of the Equity Shares on the Stock Exchanges, having the highest trading volume in respect of such Equity Shares as on Record Date. of not more than Rs. 2.00.000/-(Rupees Two Lakhs only).
- 113 In accordance with Regulation 6 of the Buy-back Regulations, 15% of the number of Equity Shares which the Company proposes to buy-back or number of Equity Shares entitled as per the shareholding of Smal Shareholders, whichever is higher shall be reserved for the Small Shareholders as part of this Buy-back. 11.4. On the basis of the shareholding on the Record Date, the Company will determine the entitlement of each
- shareholder, including Small Shareholders, to tender their Equity Shares in the Buy-back. This entitlement for each shareholder will be calculated based on the number of Equity Shares held by the respective shareholder on the Record Date and the ratio of the Buy-back applicable in the category to which such shareholder belongs. The final number of shares the Company will purchase from each Eligible Seller will be based on the total number of shares tendered. Accordingly, the Company may not purchase all of the shares tendered by
- 115 After accepting the Equity Shares tendered on the basis of entitlement, the Equity Shares left to be bought back, if any in one category shall first be accepted, in proportion to the Equity Shares tendered over and above

- their entitlement in the offer by shareholders in that category, and thereafter from shareholders who have tendered over and above their entitlement in other category.
- 116. In order to ensure that the same Eligible Seller with multiple demat accounts/folios do not receive higher entitlement under Small Shareholder category, the Equity Shares held by such Eligible Shareholder with a common Permanent Account Number ("PAN") shall be clubbed together for determining the category (Small Shareholder or General) and entitlement under the Buy-back, In case of joint shareholding, the Equity Shares held in cases where the sequence of PANs of the joint shareholders is identical shall be clubbed together. In case of Eligible Shareholders holding Physical Shares where sequence of PAN is identical and where the PANs of all joint shareholders are not available, the registrar will check the sequence of the names of the joint shareholders and club together the Equity Shares held in such cases where the sequence of the PANs and the name of the joint shareholders are identical. The shareholding of institutional investors like mutual funds, insurance companies, foreign institutional investors/ foreign portfolio investors etc. with common PAN shall not be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are held for different schemes/ sub-accounts and have different demat account nomenclature based on information prepared by the Registrar as per the shareholder records received from the depositories. Further, the Equity Shares held under the category of 'clearing members' or 'corporate body margin account' or 'corporate body-broker' as per the beneficial position data as on the Record Date with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are assumed to be held on behalf of clients.
- 117. The participation of the Eligible Sellers in the Buy-back is voluntary. Eligible Sellers may tender a part of their entitlement. Fligible Sellers also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other Eligible Sellers, if any. If the Buy-back entitlement for any shareholder is not a round number, then the fractional entitlement shall be ignored for computation of entitlement to tender Equity Shares in the Buy-back.
- 118. The maximum tender under the Buy-back by any Eligible Seller cannot exceed the number of Equity Shares held by the Eligible Seller as on the Record Date.
- 119. The Equity Shares tendered as per the entitlement by the Eligible Seller as well as additional Equity Shares tendered, if any, will be accepted as per the procedure laid down in the Buy-back Regulations. Eligible Sellers will receive a Letter of Offer along with a Tender/ Offer Form indicating the entitlement of the equity shareholder for participating in the Buy-back.
- 11.10. Detailed instructions for participation in the Buy-back (tender of Equity Shares in the Buy-back) as well as the relevant time table will also be included in the Letter of Offer to be sent in due course to the Eligible Sellers.

12. PROCESS AND METHODOLOGY FOR BUY-BACK

- 12.1. The Buy-back is open to all Eligible Sellers/ beneficial owners of the Company, holding Equity Shares either in physical and/ or dematerialized form on the Record Date. Any person who does not hold equity shares of our Company on the Record Date will not be eligible to participate in the Buy-back and shares tendered by such person(s) shall be rejected.
- 12.2. The Buy-back shall be implemented using the "Mechanism for acquisition of shares through Stock Exchange" notified vide SEBI Circulars and following the procedure prescribed in the Companies Act and the Buy-back Regulations, and as may be determined by the Board (including the Committee authorized to complete the formalities of the Buy-back) and on such terms and conditions as may be permitted by law from time to time.
- 12.3. For implementation of the Buy-back, the Company has appointed Karvy Stock Broking Limited as the registered broker to the Company (the "Company's Broker") to facilitate the process of tendering of Equity Shares through the stock exchange mechanism for the Buy-back and through whom the purchases and settlements on account of the Buy-back would be made by the Company. The contact details of the Company's Broker are as follows:



Karvy Stock Broking Limited

Karvy Millennium

Plot No.31, Financial District Gachibowli, Hyderabad 500 032.

Contact Person: Srikrishna Gurazada

Tel.: +91 040 33216775 Fax: +91 040-23311968

Email: service@karvy.com

Website: www.karvyonline.com SEBI Registration Number: INZ000172733

NSE/BSE/MSEI - INZ000172733

Corporate Identification Number:

U67120TG1995PLC019877

- 12.4. The Company shall request the Stock Exchanges to provide the separate acquisition window ("Acquisition Window") to facilitate placing of sell orders by Eligible Sellers who wish to tender Equity Shares in the Buyback. The details of the platform will be specified by the Stock Exchanges from time to time.
- 12.5. At the beginning of the tendering period, the order for buying Equity Shares shall be placed by the Company through the Company's Broker. During the tendering period, the order for selling the Equity Shares will be placed in the Acquisition Window by Eligible Sellers through their respective stock brokers ("Seller Member(s)") during normal trading hours of the secondary market. The Seller Members can enter orders for demat shares as well as physical shares. In the tendering process, the Company's Broker may also process the orders received from the Eligible Sellers.
- 12.6. The reporting requirements for non-resident shareholders under Reserve Bank of India, Foreign Exchange Management Act, 1999, as amended and any other rules, regulations, guidelines, for remittance of funds, shall be made by the Eligible Seller and/ or the Seller member through which the Eligible Seller places the
- 12.7. Further, the Company will not accept shares tendered for buyback which under restraint order of the court for transfer/sale and/or the title in respect of which is otherwise under dispute or where loss of share certificates has been notified to the Company and the duplicate share certificate have not been issued either due to such request being under process as per the provisions of law or otherwise.
- 12.8. Procedure to be followed by Eligible Sellers holding Equity Shares in the dematerialized form:
 - (a) Eligible Sellers who desire to tender their Equity Shares in the electronic/ dematerialized form under

- Buy-back would have to do so through their respective Seller Member by giving the details of Equity Shares they intend to tender under the Buy-back.
- (b) The Seller Member would be required to place an order/bid on behalf of the Eligible Sellers who wish to tender Equity Shares in the Buy-back using the Acquisition Window of the Stock Exchanges. Before placing the bid, the Eligible Seller would be required to transfer the tendered Equity Shares to the special account of clearing corporation (referred to as the "Clearing Corporation"), by using the early pay-in mechanism as prescribed by the Stock Exchanges or the Clearing Corporation prior to placing the bid
- (c) The details of the special account shall be informed in the issue opening circular that will be issued by the Stock Exchanges and/ or the Clearing Corporation.
- (d) For custodian participant orders for demat Equity Shares, early pay-in is mandatory prior to confirmation of order/ bid by custodians. The custodian shall either confirm or reject the orders not later than closing of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, any order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
- (e) Upon placing the order, the Seller Member shall provide transaction registration slip ("TRS") generated by the Stock Exchanges' bidding system to the Equity Shareholder. TRS will contain details of order submitted like bid ID No., DP ID, client ID, no. of Equity Shares tendered, etc.
- The cumulative quantity tendered shall be made available on the website of the Stock Exchanges throughout the trading sessions and will be updated at specific intervals during the tendering period.
- 12.9. Procedure to be followed by Eligible Sellers holding Equity Shares in the Physical form:
 - (a) Eligible Sellers who are holding physical Equity Shares and intend to participate in the Buy-back will be required to approach the Seller Member along with the complete set of documents for verification procedures to be carried out including the (i) completed tender form and original share certificate(s), (ii) valid Form SH 4 (transfer form) duly filled and signed by the Eligible Seller (in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, (iii) self-attested copy of the Eligible Seller's PAN Card, and (iv) any other relevant documents such as (but not limited to) power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable. In addition, if the address of an Eligible Seller has undergone a change from the address registered in the register of members of the Company, the Eligible Seller would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport
 - (b) Based on these documents, the Seller Member shall place the bid on behalf of the Eligible Seller holding Equity Shares in physical form who wishes to tender Equity Shares in the Buy-back using the Acquisition Window of the Stock Exchanges. Upon placing the bid, the Seller Member shall provide a TRS generated by the Stock Exchanges' bidding system to the Eligible Seller. TRS will contain the details of order submitted like Folio No., Certificate No., Distinctive No., No. of Equity Shares tendered etc
 - (c) The Seller Member/ Eligible Seller has to deliver the original share certificate(s) and documents (as mentioned above) along with TRS either by registered post or courier or hand delivery to the registrar to the Buy-back i.e. Integrated Registry Management Services Private Limited ("Registrar") (at the address mentioned below within 2 (Two) days of bidding by Seller Member). The envelope should be superscribed as "Mphasis Buy-back 2018". One copy of the TRS will be retained by Registrar and it will provide acknowledgement of the same to the Seller Member/ Eligible Seller.
 - (d) Eligible Seller holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for the Buy-back shall be subject to verification as per the Buy-back Regulations and any further directions issued in this regard. The Registrar will verify such bids based on the documents submitted on a daily basis and till such time the Stock Exchanges shall display such bids as 'unconfirmed physical bids'. Once the Registrar confirms the bids, it will be treated as 'confirmed bids'.
- 12.10. Modification/ cancellation of orders will be allowed during the tendering period of the Buy-back. Multiple bids made by a single Eligible Seller shall be clubbed and considered as "one" bid for the purpose of acceptance.
- 12.11. The cumulative quantity of Equity Shares tendered shall be made available on the website of the Stock Exchanges (BSE's website: www.bseindia.com; NSE's website: www.nseindia.com) throughout the trading session and will be updated at specific intervals during the tendering period.

Upon finalization of the basis of acceptance as per Buy-back Regulations:

- (a) The Company will pay the consideration to the Company's Broker which will transfer the funds pertaining to the Buy-back to the Clearing Corporation's bank accounts as per the prescribed schedule. For Equity Shares accepted under the Buy-back, Clearing Corporation will make direct funds payout to respective Eligible Sellers. If Eligible Sellers' bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any reason, then such funds will be transferred to the concerned Seller Members settlement bank account for onward transfer to their respective
- (b) The Equity Shares bought back in demat form would be transferred directly to the demat account of the Company opened for Buy-back ("Special Demat Account") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Special Demat Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Stock Exchanges
- (c) The Eligible Sellers will have to ensure that they keep the depository participant ("DP") account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to nonacceptance of shares under the Buy-back.
- (d) Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Sellers would be returned to them by the Clearing Corporation.
- (e) Any excess physical Equity Shares pursuant to proportionate acceptance/rejection will be returned back to the Eligible Sellers directly by the Registrar. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buy-back by

Equity Shareholders holding Equity Shares in the Physical form.

- (f) Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buy-back. If Equity Shareholders bank account details are not available or if the fund transfer instruction is rejected by Reserve Bank of India or bank, due to any reasons, then the amount payable to Eligible Sellers will be transferred to the Seller Member for onward transfer to the Eligible Seller.
- (g) Eligible Sellers who intend to participate in the Buy-back should consult their respective Seller Member for any cost, applicable taxes, charges and expenses (including brokerage) etc., that may be levied by the Seller Member upon the selling shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buy-back consideration received by the Eligible Sellers, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Eligible Sellers.

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

13. COMPLIANCE OFFICER

The Board at their meeting held on 7 August 2018 appointed Mr. Subramanian Narayan, Vice President and Company Secretary, as the compliance officer for the purpose of the Buy-back ("Compliance Officer"). Investors may contact the Compliance Officer for any clarifications or to address their grievances, if any, during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays, at the following address:

Mr. Subramanian Narayan

Vice President and Company Secretary,

Mphasis Limited, Bagmane World Technology Center,

Marathahalli Outer Ring Road, Doddanakhundi Village,

Mahadevapura, Bengaluru - 560 048, India.

Tel.: +91 80 6750 4613: 080 6750 4418

Fax: +91 80 6695 9943

Email: Subramanian.narayan@mphasis.com

Website: www.mphasis.com

REGISTRAR TO THE BUY-BACK/ INVESTOR SERVICE CENTRE

In case of any queries, shareholders may also contact the Registrar to the Buy-back, during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays, at the following address:



Integrated Registry Management Services Private Limited

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

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

Tel.: +91 23460815-818 Fax: +91 23460819

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

SEBI Registration Number: INR000000544 Corporate Identification Number:

U74900TN2015PTC101466

15. MANAGER TO THE BUY-BACK



JM Financial Limited

7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, India

Contact Person: Ms. Prachee Dhuri Tel.: +91 22 6630 3030

Fax: +91 22 6630 3330 Email: mphasis.buyback@jmfl.com

Website: www.jmfl.com SEBI Registration Number: INM000010361

Validity Period: Permanent **Corporate Identification Number:** L67120MH1986PLC038784

16. DIRECTOR'S RESPONSIBILITY

As per Regulation 24(i)(a) of the Buy-back Regulations, the Board accepts responsibility for the information contained in this Public Announcement or any other information, advertisement, circular, brochure, publicity material which may be issued in regard to the Buy-back and confirms that such document contains true, factual and material information and does not contain any misleading information.

For and on behalf of the Board of Directors of Mphasis Limited					
Sd/-	Sd/-	Sd/-			
Nitin Rakesh	Amit Dalmia	Mr. Subramanian Narayan,			
CEO and Executive Director	Director	Vice President and Company			
DIN:00042261	DIN: 05313886	Secretary			
California, USA	Mumbai, India	Bengaluru, India			

Date: October 1, 2018