

Mphasis Limited

CIN:L30007KA1992PLC025294

Regd. Office: Bagmane World Technology Center, Marathahalli Outer Ring Road, Doddanakhundi Village, Mahadevapura, Bengaluru - 560 048

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NOTICE OF POSTAL BALLOT

(Pursuant to Section 110 of the Companies Act, 2013)

Dear Shareholder(s),

Notice is hereby given, pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”), read together with the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, and other applicable provisions, if any, that the following special business is proposed for approval of the shareholders of the Company through postal ballot (including electronic voting for the postal ballot) as a special resolution.

The Board of Directors (“Board”) of the Company at its meeting held on 7 August 2018 has, subject to the approval of the shareholders of the Company and such other approvals, permissions and consents as may be necessary and subject to such modifications, alterations and amendments, if any, as may be prescribed by the appropriate authorities, approved buy-back of not exceeding 7,320,555 fully paid up equity shares of the Company from the existing shareholders on a proportionate basis through the “Tender Offer” method as prescribed under the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998, as amended from time to time, at a price not exceeding Rs. 1,350 (Rupees one thousand three hundred and fifty only) per equity share payable in cash for a total consideration not exceeding Rs. 9,882.75 Million (Rupees nine thousand eight hundred and eighty two million and seven fifty thousands). The proposed buy-back does not exceed 25% of the aggregate paid up equity share capital and free reserves of the Company.

Pursuant to Section 68(2) (b) of the Act, and other applicable legal provisions, it is mandatory to obtain the approval of the shareholders of the Company by way of a special resolution for the proposed buy-back of equity shares. Further, as per Section 110 of the Act read with Rule 22(16)(g) of the Companies (Management and Administration) Rules, 2014, the approval of the shareholders is required to be obtained for the buy-back by means of a postal ballot. Accordingly, the Company is seeking your approval for the aforesaid proposal as contained in the resolution appended below.

An explanatory statement pursuant to Section 102 of the Act and other applicable legal provisions, pertaining to the said resolution setting out the material facts and the reasons therefore, is also appended. The said resolution and explanatory statement are being sent to you along with a postal ballot form (the “Postal Ballot Form”) for your consideration.

Pursuant to Rule 22(5) of the Companies (Management and Administration) Rules, 2014, the Company has appointed Mr. S P Nagarajan (PCS No. 4738), Practicing Company Secretary, as the scrutinizer for the Postal Ballot process.

The shareholders are requested to carefully read the instructions enclosed with the Postal Ballot Form and return the said form duly completed in the attached self-addressed postage pre-paid envelope, not later than close of working hours (i.e. 05:00 pm IST) on Thursday, 27 September 2018. Please note that the Postal Ballot Form(s) received after the said date will be treated as not having been received.

The e-voting facility is also provided to all the shareholders to enable them to cast their votes electronically instead of dispatching the postal ballot form. Shareholders are requested to follow the procedure as stated in the notes and instructions for casting of votes by e-voting. The shareholders have both the options of voting i.e. by e-voting or through postal ballot form. The e-voting module will be disabled after 5.00 pm on Thursday, 27 September 2018 for voting by the shareholders.

The Scrutinizer will submit his report to the Chairman or in his absence a person authorized by him in writing, after completion of scrutiny of Postal Ballot (including e-voting) in a fair and transparent manner. The results of the voting by postal ballot will be announced on Friday, 28 September 2018 at the Registered Office of the Company at Bagmane World Technology Center, Marathahalli Outer Ring Road, Doddanakhundi Village, Mahadevapura, Bengaluru – 560 048, India and at the Corporate Office of the Company at Bagmane Technology Park, Byrasandra Village, C V Raman Nagar, Bengaluru - 560 093, India. The results of the Postal Ballot will also be published in the Business Standard and Samyuktha Karnataka in which this notice is published within 48 hours of the declaration of the results and will be placed on the website of the Company at www.mphasis.com for information of members besides being communicated to the stock exchanges on which the shares are listed. The date of declaration of the postal ballot results will be taken to be the date of passing of the resolution. The shareholders are requested to consider and, if deemed fit, pass the following resolution:

To consider, and, if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

RESOLVED THAT pursuant to Section 68 and all other applicable provisions, if any, of the Companies Act, 2013, as amended, (the “Act”), the rules made thereunder, the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998 (the “Buy-Back Regulations”) including any amendments, statutory modifications or re-enactments for the time being in force, Article 54A of the Articles of Association of the Company and subject to such other approvals, permissions and consents as may be necessary and subject to such modifications, alternations and amendments, if any, as may be prescribed by the appropriate authorities while granting such approvals, permissions and consents, which is accepted by the Board of Directors of the Company (hereinafter referred to as the “Board”, which expression shall include any Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), approval of the members be and is hereby accorded for the buy-back of fully paid-up equity shares of the Company at a price not exceeding Rs. 1,350 (Rupees one thousand three hundred and fifty only) per equity share (the “Buy-back Offer Price”) payable in cash for an aggregate consideration not exceeding Rs. 9,882.75 Million (Rupees nine thousand eight hundred and eighty two million and seven fifty thousands) (*excluding any expenses incurred or to be incurred for the buy-back viz. brokerage, applicable taxes such as securities transaction tax, Goods and Services tax, stamp duty, advisors fees, printing and dispatch expenses and other incidental and related expenses*), representing 25% of the paid-up equity capital and free reserves as at 30 June 2018, as per the audited financials of the Company for the quarter ended on that date, (the “Buy-back Offer Size”), through the “tender offer” method as prescribed under the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998 and amendment thereof (“Buy-back Regulations”) (the process being referred to as the “Buy-back”), on a proportionate basis, from all the existing shareholders, including the Promoter, *the term “Promoter” will be such person as have been disclosed under the filings made in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended*, holding fully paid-up equity shares of the Company as on the record date to be subsequently decided by the Board.

RESOLVED FURTHER THAT the Buy-back shall have a reservation for small shareholders in accordance with the provisions of the Buy-back Regulations.

RESOLVED FURTHER THAT the 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. shall be 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 that such approvals shall be required to be taken by such non-resident members.

RESOLVED FURTHER THAT it is hereby recorded that with the Buy-back Offer Price and the Buy-back Offer Size as approved above, the resultant Buy-back equity shares shall be 7,320,555 equity shares (seven million three hundred twenty thousand and five hundred and fifty five) fully paid-up shares representing 3.79% of the fully paid up share capital and the specific price at which the Buy-back will be made, within the Buy-back Offer Price of Rs. 1,350 (Rupees one thousand three hundred and fifty only) per equity share, be determined at the time of public announcement for Buy-back and the resultant buy-back equity shares be adjusted accordingly.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the power(s) conferred herein above as it may in its absolute discretion deem fit, to any Director(s)/ Officer(s)/ Authorised Representative(s)/ Committee (“Buy-back Committee”) of the Company in order to give effect to the aforesaid resolutions, including but not limited to finalizing the terms of the Buy-back, including the amount to be utilized towards the Buy-back, and the time frame therefor, within the statutory limits prescribed by the law and to do all such acts, deeds, matters and things, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient and to settle any question that may arise in this regard and incidental thereto including but not limited to appointment of merchant bankers, brokers, bankers, solicitors, registrar, printers, depository participants and other intermediaries/ agencies for the implementation of the Buy-back, to make applications seeking approval of appropriate authorities and to initiate all necessary action for opening of accounts, preparation and issuance of various documents, including Public Announcement, Draft Letter of Offer, Letter of Offer, declaration of solvency, and certificate of extinguishment of shares / share certificates required to be filed in connection with the Buy-back, further delegation of all or any of the above to such Committees of the Board or persons as considered expedient, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval expressly by the authority of this resolution.

RESOLVED FURTHER THAT nothing contained herein shall confer any right on the part of any shareholder to offer and/ or any obligation on the part of the Company or the Board or the Buy-back Committee to buy-back any shares, and/ or impair any power of the Company or the Board or the Buy-back Committee to terminate any process in relation to such Buy-back as permissible by law.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to accept and make any alteration(s), modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buy-back, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as it may, in absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the buy-back without seeking any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

By Order of the Board
For Mphasis Limited

Bengaluru
7 August 2018

Subramanian Narayan
Vice President & Company Secretary

NOTES:

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 and the reasons for the proposed special business is annexed herewith.
2. The Postal Ballot notice is being sent to the shareholders whose names appear on the register of members/ list of beneficial owners furnished by the depositories as on Friday, 17 August 2018 being the cut-off date fixed for the purpose of voting. The Postal Ballot notice is being sent to the shareholders in electronic form to the email addresses registered with the Depository Participant (in case of electronic shareholding)/ the Company's Registrar and Share Transfer Agents (in case of physical shareholding). For shareholders whose email IDs are not registered, physical copies of the Postal Ballot notice and the Postal Ballot Form are being sent along-with a self-addressed postage pre-paid envelope. The shareholders as on the cut-off date will be considered for the purpose of voting. A person who is not a shareholder of the Company as on the cut-off date should treat this notice for information purposes only and is not entitled to vote.
3. The Company is pleased to provide e-voting facility to its shareholders to enable them to cast their votes electronically for the resolution proposed to be passed through postal ballot. The shareholders desirous of availing this e-voting facility are requested to read the instructions in relation to e-voting given hereunder and comply with the instructions to cast their vote electronically. The shareholders who are not able to avail the e-voting facility may cast their votes through postal ballot form ("**Postal Ballot Form**"), being dispatched along with this notice.
4. The shareholders can opt for only one mode of voting, i.e., either by postal ballot or e-voting. The shareholders are encouraged to opt for the e-voting facility. In case shareholders cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through postal ballot will be invalid.
5. Members desiring to exercise their vote by postal ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the form duly completed and signed, in the enclosed self-addressed postage pre-paid envelope to the scrutinizer at the Registered Office of the Company, so that it reaches the scrutinizer not later than close of working hours (i.e. 5:00 P.M. IST) on Thursday, 27 September 2018. The postage will be borne by the Company.
6. The self-addressed postage pre-paid envelope are to be strictly used only for the purpose of the proposed postal ballot and not otherwise.

VOTING THROUGH ELECTRONIC MEANS

1. The e-voting period commences on Wednesday, 29 August 2018 and ends on Thursday, 27 September 2018 at 5:00 pm. During this period, the shareholders, holding shares either in physical form or in dematerialized form, as on, being the cut-off date, i.e. Friday, 17 August 2018, may cast their vote by using the e-voting facility. The e-voting module shall be forthwith blocked by National Securities Depository Limited ("**NSDL**") after 5:00 pm on Thursday, 27 September 2018. Vote cast once by a shareholder shall not be allowed to be changed subsequently.
2. Any queries or grievances in relation to the electronic voting may be addressed to Mr. Subramanian Narayan, Vice President and Company Secretary, at the registered office of the Company or may be e-mailed to subramanian.narayan@mphasis.com.
3. **The process and manner for e-voting are as under :**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system

Step 1 : How to Log-in to NSDL e-Voting website ?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. *Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.*

4. The basis of User ID details is given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 character DP ID followed by 8 digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 digit Beneficiary ID For example if your Beneficiary ID is 12***then your user ID is 12***
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is M001*** and EVEN is 101456 then user ID is 101456M001***

5. The details for the password are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to use the 'initial password' which is being communicated to you. Once you use your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Open the attachment of the e-mail i.e. a PDF file. The password to open the PDF file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The PDF file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you in the Postal Ballot Form.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsd.com.
- b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsd.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

Step 2 : How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-voting as the voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

4. In case of any queries, you may refer the Frequently Asked Questions (“FAQs”) for shareholders and e-voting user manual for shareholders available at the downloads section of www.evoting.nsdl.com or call on toll free No.: 1800-222-990.
5. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
6. The voting rights of shareholders shall be in proportion to their shares held in the Company as on the cut-off date, i.e. Friday, 17 August 2018.
7. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the e-voting facility as well as voting through ballot paper. A person who is not a shareholder as on the cut-off date should treat this postal ballot notice for information purposes only.
8. Mr. S P Nagarajan (CP No. 4738) has been appointed as the Scrutinizer to scrutinize the voting and e-voting process in a fair and transparent manner.
9. Shareholders who have registered their e-mail IDs for receipt of documents in electronic mode have been sent the link for postal ballot notice by e-mail from NSDL. Such shareholders are expected to vote by electronic mode. However, if they wish to vote through a Postal Ballot, they may download the ballot form from www.evoting.nsdl.com or seek a duplicate form from the Registrar and Share Transfer Agents, Integrated Registry Management Services Pvt. Ltd., 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore – 560 003, fill in the details and send the same addressed to the scrutinizer by post to Integrated Registry Management Services Pvt. Ltd. at the address given above.

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EXPLANATORY STATEMENT PURSUANT TO SECTIONS 102 AND 110 OF THE COMPANIES ACT, 2013

The Board at its meeting held on 7 August 2018 have considered and approved buy-back of fully paid equity shares of the Company for a total consideration not exceeding Rs. 9,882.75 Million (Rupees nine thousand eight hundred and eighty two million and seven fifty thousands) (“**Buy-back**”). The Buy-back is proposed with an objective of rewarding the shareholders through return of surplus cash. The following are the disclosures in relation to the proposed Buy-back as per the Act and the Buy-back Regulations:

a) Objective of the Buy-Back:

The Buy-back proposal aims to effectively utilize surplus cash by rewarding the 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 Buy-back may create long term value for the shareholders. The Buy-back through “Tender Offer” method as specified under the Buy-Back Regulations gives an option to existing 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.

The Buy-back through “Tender Offer”, *inter-alia*, offers the following advantages –

1. The Buy-back helps the Company to distribute surplus cash to its shareholders in proportion to their shareholding;
2. 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 a ‘small shareholder’.
3. 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;
4. 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;

b) Maximum amount required under the Buy-back, its percentage of the total paid up capital and free reserves and the sources of funds from which the Buy-back would be financed.

The maximum amount required under the Buy-back will be Rs. 9,882.75 Million (Rupees nine thousand eight hundred and eighty two million and seven fifty thousands) which is not exceeding 25% of the paid up capital and free reserves as per the audited financial statement for the quarter ended 30 June 2018. The Buy-back would 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.

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.

c) Buy-back Offer Price and the basis of arriving at the Buy-back Price

The fully paid-up equity shares of the Company are proposed to be bought back at a price not exceeding Rs. 1,350 (Rupees one thousand three hundred and fifty only) per equity share (the “**Buy-back Offer Price**”). The Buy-back Offer Price has been calculated after taking into consideration the volume weighted average market price of the equity shares and net worth of the Company.

It is proposed to seek the approval of the shareholders of the Company to authorize the Board to determine the specific Buy-back price at a later date within the Buy-back Offer Price of Rs. 1,350 (Rupees one thousand three hundred and fifty only) per equity share.

d) Maximum number of shares that the Company proposes to buy-back and the time limit for completing the Buy-back

The Company proposes to Buy-back fully paid up equity shares for a consideration not exceeding Rs. 9,882.75 Million (Rupees nine thousand eight hundred and eighty-two million and seven fifty thousands) at a Buy-back Offer Price of Rs. 1,350 (Rupees one thousand three hundred and fifty only) per equity share. Considering the Buy-back offer size and the Buy-back Offer Price, the resultant shares to be bought back shall be 7,320,555 (Seven million three hundred twenty thousand and five hundred and fifty five) equity shares. However, if the Board determines a different price, within the Buy-back Offer Price of Rs. 1,350 (Rupees one thousand three hundred and fifty only) per equity share, at which the Buy-back will be made, at the time of public announcement, the maximum buy-back shares shall be adjusted accordingly.

The Buy-back is proposed to be completed within 12 months of the date of special resolution to be passed by the shareholders.

e) Method to be adopted for the Buy-back

The Buy-back shall be on a proportionate basis from all the existing shareholders holding equity shares of the Company through “Tender Offer” method, as prescribed under the Buy-back Regulations. The Buy-back will also be implemented in accordance with the Act, Buy-back Regulations and on such terms and conditions as may be deemed fit by the Company.

As required under the Buy-back Regulations, the Company will announce a record date (the “Record Date”) for determining the names of the shareholders holding equity shares of the Company who will be eligible to participate in the Buy-back.

In due course, each shareholder as on the Record Date, will receive a Letter of Offer along with a Tender/ Offer Form indicating the entitlement of the shareholder for participating in the Buy-back.

The equity shares to be bought back as a part of the buy-back is divided in two categories:

- (a) Reserved category for small shareholders; and
- (b) General category for all other shareholders.

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 on stock exchanges where the equity shares of the Company are listed as on Record Date, of not more than Rs. 2,00,000 (Rupees two lakhs)

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 small shareholders, whichever is higher, shall be reserved for the small shareholders as part of this Buy-back. The Company believes that this reservation of 15% for small shareholders would benefit a large number of public shareholders, who would get classified as “small shareholder”.

Based on the holding on the Record Date, the Company will determine the entitlement of each shareholder to tender their 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 as on the Record Date and the applicable ratio of Buy-back for the category to which such shareholder belongs.

Shareholders’ participation in Buy-back will be voluntary. The shareholders holding equity shares can choose to participate and get cash in lieu of shares to be accepted under the Buy-back or they may choose to not participate and enjoy a resultant increase in their percentage shareholding, post Buy-back, without additional investment. The shareholders holding equity shares of the Company may also accept to tender a part of their entitlement under the Buy-back. Shareholders holding equity shares of the Company 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 shareholders, if any.

The maximum tender under the Buy-back by any shareholder cannot exceed the number of equity shares held by such shareholder as on the Record Date.

The equity shares tendered as per the entitlement by the shareholders of the Company as well as the additional equity shares tendered, if any, will be accepted as per the procedure laid down in Buy-back Regulations. The settlement of the tenders under the Buy-back will be done using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular

CIR/CFD/POLICYCELL/1/2015 dated 13 April 2015 as amended via SEBI circular CFD/DCR2/GIR/P/2016/131 dated 9 December 2016 including any further amendments thereof.

Detailed instructions for participation in the Buy-back (tender of equity shares in the Buy-back) as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the shareholders of the Company as on the Record Date.

The Buy-back from non-resident members, Overseas Corporate Bodies (OCBs) and Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs), and members of foreign nationality etc., if any, shall be 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.

f) Shareholding Disclosures :

1. The aggregate shareholding of the Promoter, Persons in Control, the directors of the Promoter Company, Directors and Key Managerial Personnel of the Company as on 7 August 2018 are as follows:

Shareholding of Promoter

Name of Promoter	No. of equity shares	% of Shareholding
Marble II Pte. Ltd.	101,230,853	52.36

Shareholding of Directors and Key Managerial Personnel

Name of Key Managerial Personnel	Designation	No. of equity shares	% of Shareholding
Mr. Subramanian Narayan	VP and Company Secretary	2,660	-
Mr. Suryanarayanan V	EVP and Chief Financial Officer	20,416	0.01

Neither the directors of the Company nor the directors of the Promoter of the Company hold any shares of the Company.

2. Aggregate number of shares or other specified securities purchased or sold by the Promoters, Directors and Key Managerial Personnel 6 months preceding 7 August 2018, being the date of the board meeting at which the Buy-back was approved, and from that date till the date of Postal Ballot notice together with the details of the maximum and minimum price paid for such transaction are as follows:

Name of Person	Number of shares held as at 6 February 2018	No. of Equity shares purchased	No. of Equity shares sold	Number of Shares held as at 7 August 2018	Date of Transaction	Maximum Price (Rs.)	Minimum Price (Rs.)
Promoters							
Marble II Pte. Ltd.	116,691,668	-	15,460,815	101,230,853	14 May 2018	960.10 *	960.10 *
Total	116,691,668	-	15,460,815	101,230,853			
Key Managerial Personnel							
Mr. Suryanarayanan V, Chief Financial Officer **	20,416	-	-	20,416	-	-	-
Mr. Subramanian Narayan, Company Secretary**	2,660	-	-	2,660	-	-	-
Total	23,076	-	-	23,076	-	-	-

*- represents average sale price

**-represents exercise of Stock Options/RUs, granted to them.

g) Intention of the Promoters and Persons in Control of the Company to tender equity shares for Buy-back indicating the number of shares, details of acquisition with dates and price

In terms of the Buy-back Regulations, under the "Tender Offer" method, the Promoter of the Company has an option to participate in the Buy-back. Marble II Pte. Ltd., being the promoter of the Company, vide its letter dated 7 August 2018 expressed its intention to participate in the Buy-back to the extent of its shareholding in the Company as on Record Date or such lower number of shares as required in compliance with the Buy-back Regulations/ terms of the Buy-back.

Details of the date and price of acquisition of the equity shares that Marble II Pte. Ltd. intends to tender are set-out below:

Date of Transaction	Nature of Transaction	No. of Equity Shares	Consideration (Rs. per equity share)
24 August 2016	Purchase of shares under open offer	2,178	457.54
1 September 2016	Purchase of shares from erstwhile promoters of the Company	127,106,266	430.00
2 June 2017	Shares tendered under the earlier Buy-back offer of the Company	(10,416,776)	635.00
14 May 2018	Sale of shares in the market	(15,460,815)	960.10
Total		101,230,853	

Note: Figures within bracket denotes reduction in stake of Marble II Pte. Ltd.

h) No defaults

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.

i) Confirmation that the Board has made full enquiry into the affairs and prospects of the Company and that they have formed the opinion to the effect that the Company, after Buy-back will continue to be able to meet its liabilities and will not be rendered insolvent

The Board has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:

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

j) Report addressed to the Board of Directors by the Company's Auditors:

The text of the report dated 7 August 2018 received from M/s. BSR & Co. LLP, the Statutory Auditor's of the Company, addressed to the Board is reproduced below:

"The Board of Directors
Mphasis Limited
Bagmane World Technology Centre, Marathalli Outer Ring Road,
Doddanakhundi Village, Mahadevapura, Bangalore – 560 048

Dear Sirs,

Statutory Auditors' Report in respect of proposed buy back of equity shares by Mphasis Limited ('the Company') in terms of clause (xi) of Part A of Schedule II of Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended (the "SEBI Buyback Regulations").

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

Management's Responsibility for the Statement

3. 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 circumstances.

Auditors' Responsibility

4. 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 quarter ended 30 June 2018;
 - 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 Act; and
 - if the Board of Directors in their meeting dated 7 August 2018, have formed the opinion as specified in clause (x) of Part A of Schedule II 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.
5. 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.
6. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or 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 of Chartered Accountants of India.
7. 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.

Opinion

8. Based on inquiries conducted and our examination as above, we report that:
- We have inquired into the state of affairs of the Company in relation to its audited standalone financial statements as at and for the quarter ended 30 June 2018;
 - 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
 - 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 Part A of Schedule II 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.

Restriction on Use

9. 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.

Bengaluru
7 August 2018

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number: 101248W/W-100022
Arjun Ramesh
Partner
Membership No: 218495

Annexure A:Statement of permissible capital payment (Rs. In Lakhs)

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

*Calculation in respect to the Buy-back is done on basis of interim condensed standalone audited financial statements of the Company as of and for the quarter ended 30 June 2018.

For Mphasis Limited

V Suryanarayanan
EVP and Chief Financial Officer
Place: Bengaluru
Date: 7 August 2018

k) Confirmations:

As per the provision of the Buy-back Regulations and the Act, it is confirmed that:

1. All the equity shares which the Company proposes to buy back are fully paid up;
2. 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 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;
3. The Company shall not issue any equity shares or other securities (including by way of bonus) till the date of closure of the Buy-back;
4. The Company shall not raise further capital for a period of 1 year from the closure of Buy-back offer except in discharge of subsisting obligations such as exercise of stock options and restricted stock units granted to its employees;
5. The special resolution approving the Buy-back will be valid for a maximum period of 1 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;
6. The equity shares bought back by the Company will be compulsorily cancelled and will not be held for re-issuance;
7. 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. 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;
9. 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;
10. 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;

11. That 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 fifty thousands) 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 30 June 2018;
12. That funds borrowed from banks and financial institutions will not be used for the Buy-back Offer;
13. 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;
14. The Company shall not make any offer of Buy-back within a period of 1 year reckoned from the date of closure of the Buy-back; and
15. The Company has been in compliance with Sections 92, 123, 127 and 129 of the Act.

The Board of Directors recommends passing of the special resolution as set out in the Notice.

Interest of Directors and Key Managerial Personnel:

None of the directors or any key managerial personnel of the Company including their relatives are concerned or interested, in the proposed resolution, save and except to the extent of their shareholding in the Company, if any.

By Order of the Board
For Mphasis Limited

Bengaluru
7 August 2018

Subramanian Narayan
Vice President and Company Secretary

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