MPHASIS LIMITED

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POLICY ON RELATED PARTY TRANSACTIONS

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Version Number	V8.0
Current Policy Effective Date	23 July 2026

Document Change History

Version	Author	Date	Summary
V1.0	A Sivaram Nair	30 July 2014	Related Party Transaction Policy adopted by the Board
V2.0	A Sivaram Nair	29 October 2014	Amendments to align to amended Related Party provisions in the Companies (Meeting of Board and its Powers) Second Amendments Rules, 2014 and Clause 49 of the Listing Agreement
V3.0	A Sivaram Nair	15 April 2016	1. Substituted the Ordinary Resolution of Shareholders instead of requirement of Special Resolution by Shareholders consequent to change in the law
			2. Reference to Listing Agreement replaced by Listing Regulations pursuant to enactment of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)
V4.0	Subramanian Narayan	24 January 2019	Amendments to align to Companies (Amendment) Act, 2017 and SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018
V5.0	Subramanian Narayan	22 July 2021	Amendment to include the disclosure requirements.
V6.0	Subramanian Narayan	20 January 2022	Amendments to align to SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021. These amendments to the policy will be effective 1 April 2022.
V7.0	Sivaramakrishnan P	24 April 2025	Amendments to align to SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024.

V8.0	Mayank Verma	23 July 2026	Amendments to align with SEBI (Listing Obligations and Disclosure Requirements) and other ancillary changes.

1. INTRODUCTION

The Board of Directors (the "Board") of Mphasis Limited (the "Company"), based on the recommendation of the Audit Committee has adopted the Policy on Related Party Transactions (the "Policy") in accordance with the provisions of the Companies Act, 2013 ("the Act") read with the Rules made thereunder and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time.

2. OBJECTIVE

The objective of this Policy is to regulate transactions between the Company and its Related Parties in compliance with the applicable laws and regulations. This Policy establishes a comprehensive framework for the identification of Related Parties and Related Party Transactions and sets out the principles and procedures governing the approval, monitoring, and reporting of such transactions.

3. DEFINITIONS

"Arm's length transaction" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

"Audit Committee" or "Committee" means the Audit Committee constituted by the Board of the Company in accordance with the provisions of Listing Regulations and the Act, from time to time.

"Board of Director" or **"Board"** means the Board of Directors of Mphasis Limited, as constituted from time to time.

"**Industry Standards**" shall mean the Industry Standards on "Minimum information to be provided for review of Audit Committee and Shareholders for approval of Related Party Transaction as notified by Securities and Exchange Board of India from time to time.

"Key Managerial Personnel" means Key Managerial Personnel as defined under Regulation 2(1)(o) of the SEBI Listing Regulations read with Section 2(51) of the Act as amended from time to time.

"**Material Modification"** means and includes any subsequent change to a previously approved Related Party Transaction that results in a variance exceeding 10% of the approved transaction value or ₹1 crore, whichever is higher.

"Material Related Party Transaction" means a transaction with a Related Party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds the thresholds specified in Schedule XII of the Listing Regulations which is provided below:

Consolidated Turnover of Company Threshold	Threshold
I. Up to ₹20,000 Crore	10% of the annual consolidated turnover of the Company
II. More than ₹20,000 Crore to up to ₹ 40,000 Crore	₹ 2,000 Crore + 5% of the annual consolidated turnover of the Company above ₹20,000 Crore
III. More than ₹40,000 Crore	₹ 3,000 Crore + 2.5% of the annual Consolidated turnover of the Company above ₹40,000 Crore or ₹5000 Crores, whichever is lower

Explanation: For the purpose of computing the thresholds stated above, the annual consolidated turnover of the Company shall be determined based on the last audited financial statements of the Company.

Transaction involving payments to a Related Party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 50 Crores or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

"Related Party" means a person or an entity as defined in:
(i) Section 2(76) of the Act; and
(ii) Regulation 2(1)(zb) of the Listing Regulations
(iii) Applicable accounting standards.

"Related Party Transaction" shall have the meaning ascribed to it under Section 188 of the Act read with Regulation 2(1)(zc) of the Listing Regulations, as amended from time to time and shall means a transaction involving transfer of resources, services or obligations between:

i. the Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; or
ii. the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries;

regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract:

Provided that the following shall not be considered as a Related Party Transaction:

a. the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
b. the following corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
   (i) payment of dividend;
   (ii) subdivision or consolidation of securities;
   (iii) issuance of securities by way of a rights issue or a bonus issue; and
   (iv) buy-back of securities.
c. acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the Stock Exchange(s), in the prescribed format.

d. acceptance of current account deposits and saving account deposits by banks in compliance with the directions issued by the Reserve Bank of India or any other central bank in the relevant jurisdiction from time to time

   Explanation: For the purpose of clauses (c) and (d) above, acceptance of deposits includes payment of interest thereon.

e. retail purchases from the Company or its subsidiary by its directors or key managerial personnel of the Company or its subsidiary, and relatives of such directors or key managerial personnel, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees, directors, key managerial personnel and relatives of directors or key managerial personnel.

Provided that, a Related Party Transaction shall deem to include any material modification to such Related Party Transaction which is required to be considered by the Audit Committee under the Listing Regulations.

"**Relative**" means relative as defined under Section 2(77) of the Act and Rules prescribed there under as amended from time to time.

Explanation: Any terms used in the Policy but not defined herein shall have the same meaning ascribed to it, in the Act or Rules made thereunder, the Listing Regulations, the applicable Indian Accounting Standards or any other applicable legislations / laws.

4. MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS

4.1. Identification of Related Party and potential Related Party Transactions

Every Director and Key Managerial Personnel of the Company and its subsidiaries shall be responsible for providing a list of his/her Related Parties on an annual basis and any subsequent changes to the list must also be informed immediately. The Company shall collate the information received and draw up a list of Related Parties.

The Finance department shall evaluate and identify the proposed Related Party Transactions independently or in consultation with outside consultant, as appropriate in terms of the provisions of the Act, the Listing Regulations and applicable Accounting Standards. All identified RPTs shall be placed before the Audit Committee for prior approval in accordance with this Policy.

The notice of any potential Related Party Transaction shall be given well in advance to the Audit Committee/Board and shall also contain adequate information about the Related Party Transaction(s). This will provide the Audit Committee/Board members adequate time and information to consider and review the proposed transaction(s).

4.2. Review and Approval of Related Party Transactions

A. Approval of Audit Committee

All Related Party Transactions and subsequent material modifications shall require prior approval of the Audit Committee in the manner specified under the Act and/or SEBI Listing Regulations (as applicable). The Audit Committee shall consider all relevant factors before granting approval to the proposed transaction.

In case of a Related Party Transaction above Rs. 1 crore, where subsidiary of the Company is a party, but the Company is not a party, shall require prior approval of the Audit Committee of the Company, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds the lower of the following:

a. 10% of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; or
b. the threshold for Material Related Party Transaction of the Company

In case of a Related Party Transaction above Rs. 1 crore, where subsidiary of the Company is a party, but the Company is not a party, and such subsidiary does not have audited financial statements for a period of at least one year, shall require prior approval of the Audit Committee of the Company, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds the lower of the following:

a. 10% of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or
b. the threshold for Material Related Party Transaction of the Company

Explanation: The aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date, not older than three months prior to the date of seeking approval of the Audit Committee.

The Audit Committee may in accordance with the provisions of Act and Listing Regulations grant omnibus approval for any Related Party Transaction proposed to be entered into by the Company or its subsidiary as it deems fit subject to the following conditions:

a) The Audit Committee shall lay down the criteria for granting omnibus approval in line with this Policy and such approval shall be applicable in respect of transactions which are repetitive in nature.
b) The Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company;
c) Such omnibus approval shall specify (i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit;
d) Where the need for Related Party Transaction cannot be foreseen and details as mentioned in clause 'c' above are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction.
e) Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company or its subsidiary pursuant to each of the omnibus approval given.

f) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

Any member of the Audit Committee who has a potential interest in any Related Party Transaction will abstain from discussion and voting on the approval of the Related Party Transaction. The members of the Audit Committee, who are Independent Directors, shall approve the Related Party Transactions.

Prior approval of the Audit Committee shall not be required for following transactions:

i. Transactions entered into between the Company and its wholly owned subsidiary, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

   Provided that any of the above Related Party Transaction which is not in the Ordinary Course of Business or not at Arm's Length shall require prior approval of the Audit Committee and the Board.

ii. Transactions entered into between two wholly owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval;

iii. Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between the Company on one hand and the Central Government or any State Government or any combination thereof on the other hand.

The Company shall while seeking approval of the Related Party Transactions, place before the Audit Committee all such information as may be applicable in terms of the Industry Standards, the disclosures as prescribed under the relevant SEBI circulars read with the provisions of the Listing Regulations and the Act, as amended from time to time.

In determining whether to approve a Related Party Transaction, the Committee may consider the following factors, among others, to the extent relevant to the Related Party Transaction:

i. Whether the terms of the Related Party Transaction are fair and on arm's length basis and would apply on the same basis if the transaction did not involve a Related Party;
ii. Whether there are any undue compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
iii. Whether the Related Party Transaction would affect the independence of the Directors/Key Managerial Personnel;
iv. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction; and
v. Whether the Related Party transaction would present an improper conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the Director, Executive Officer or other Related Party, the direct or indirect nature of the Director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.

B. Approval of the Board of Directors

Following Related Party Transactions shall require prior approval of the Board:

(i) Transactions specified in Section 188(1) of the Act which are not in the ordinary course of business and/or not on arm's length terms.
(ii) Material Related Party Transactions which are proposed to be placed before the Shareholders for approval.
(iii) Related Party Transactions where Audit Committee of the Company is of the opinion that the same should be brought before the Board or if the Board suo moto decides to review any such transaction.
(iv) Related Party Transactions for which approval of the Board is mandatory under any applicable law for time being in force.
(v) Any Material Modification to the Related Party Transactions already approved by the Board.
(vi) Any other transaction as may be prescribed from time to time.

Where any Director is interested in any contract or arrangement with a Related Party, such Director shall not participate in discussions on the subject matter during the meeting relating to such contract or arrangement and shall not vote on the item of business.

C. Approval of the Shareholders

Following Related Party Transactions shall require prior approval of the Shareholders of the Company:

(i) Material Related Party Transactions and Material Modifications thereto;

No Related Party shall vote to approve any transaction covered above, whether the entity is a related party in the context of particular transaction or not.

Provided further that the omnibus approval granted by the shareholders for material related party transactions in an annual general meeting shall be valid till the date of the next annual general meeting held within the timelines prescribed under Section 96 of the Act, 2013 or rules, notifications, or circulars issued thereunder from time to time.

Provided further that in case of omnibus approvals for material related party transactions, granted by shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

(ii) Transactions specified in Section 188(1) of the Act which are not in the ordinary course of business and/or not on arm's length terms and exceed the threshold specified in Rule 15(3) of Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification or re-enactment thereof.

No member of the Company shall vote on the resolution to approve any transaction above, if such member is a Related Party to the proposed contract or arrangement.

The Company shall while seeking approval of the shareholders, include in the Statement to the notice being sent to shareholders seeking their approval for proposed Related Party Transactions all such information as may be applicable in terms of the Industry Standards, the disclosures as prescribed under the relevant

SEBI circulars read with the provisions of the Listing Regulations and the Act, as amended from time to time.

4.3 Determination of ordinary course of business and on arm's length basis

The Audit Committee or the Board , in respect of the Related Party Transactions referred to them for approval, shall after considering the materials placed before them, shall evaluate if the transaction is the ordinary course of business or at arm's length basis. In case the Audit Committee is not able to arrive at such a decision, the same shall be referred to the Board, which shall decide if the transaction is the ordinary course of business or at arm's length basis. In case the Board is not able to arrive at such a decision, the same shall be decided by the Independent Directors, whose decision shall be final.

4.4 Exceptions

Transactions or arrangements which are specifically dealt in terms of specific provision(s) of the applicable laws and executed under separate procedures/ approvals mechanism shall not be required to be approved under this Policy, including but not limited to the following:

(i) Payment of remuneration in any form (including sitting fee, commission, ESOPs, other shares based incentive plans etc.) paid by the Company or any of its subsidiary to any Director, Key Managerial Personnel and Senior Management, except who is part of promoter or promoter group, provided that the same is not a Material Related Party Transaction;

(ii) Any benefits, interest arising to Related Party solely from the ownership of Company shares at par with other holders, for example, dividends, right issues, stock split or bonus shares approved by the Nomination and Remuneration Committee or any other Board composed committee.

(iii) Transactions that have been approved by the Board under specific provisions of the Act e.g. inter corporate deposits, borrowings, investments etc. with or in wholly owned subsidiaries or other Related Parties;

(iv) Transactions arising out of corporate restructuring, compromises, arrangements and amalgamations dealt with under specific provisions of the Act, will not attract the requirements of Section 188 of the Act.

(v) Contribution with respect to Corporate Social Responsibility to eligible entity pursuant to approval of Board or the Corporate Social Responsibility Committee.

5. RATIFICATION OF RELATED PARTY TRANSACTIONSBY AUDIT COMMITTEE

In the event the Company becomes aware of a Related Party Transaction, which is regulated under the Listing Regulations or which is not on Arm's length basis or not in the ordinary course of business, that has not been approved or is not in accordance with the this Policy, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Audit Committee under this Policy and failure of the internal control systems and shall take any such action it deems appropriate.

The members of the Audit Committee, who are independent directors, may ratify the Related Party Transactions within 3 months from the date of the transaction or in the immediate next meeting of the Committee, whichever is earlier and such ratification is subject to conditions specified in the Listing Regulations.

The failure to seek ratification of the Audit Committee shall render Related Party Transactions voidable at the option of the Committee and if the transaction is with a related party to any director or is authorized by any director, the director(s) concerned shall indemnify the Company against any losses incurred.

In any case, where the Audit Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation for the loss suffered by the related party etc.

6. REPORTING OF RELATED PARTY TRANSACTIONS

i. Related Party Transactions shall be disclosed in the Annual Report as prescribed under the Act and the Listing Regulations.

ii. The Company shall submit to the Stock Exchanges disclosure of Related Party Transactions in the format as specified by the SEBI from time to time and also publish the same on its website.

   Remuneration and sitting fees paid by Company or its Subsidiaries to its Directors, KMP or Senior Management Personnel, except who are part of Promoter or Promoter Group, shall not require disclosure under this para provided the same is not material under the Listing Regulations.

iii. Such other disclosures as may be prescribed under applicable laws and Regulations.

7. SUPPLEMENTARY PROVISIONS

This Policy shall be hosted on the Company's website viz. www.mphasis.com and web-link of the same shall be provided in the Annual Report.
The Board shall review this Policy periodically, and at least once every three years, based on recommendations of the Audit Committee, if any, and to ensure continued alignment with applicable laws and governance practices.

In case of any subsequent changes in the provisions of Act or the Listing Regulations which makes any of the provisions in the Policy inconsistent with the Act or the Listing Regulations, then the provisions of the Act or the Listing Regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with the Act or the Listing Regulations.

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