MPHASIS LIMITED

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POLICY FOR DETERMINING MATERIAL SUBSIDIARY(IES)

Document Contact Information

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Document Change History

Version	Author	Date	Summary
V1.0	A Sivaram Nair	30 July 2014	First Charter adopted by the Board
V2.0	Subramanian Narayan	24 January 2019	Amendments to align to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018
V3.0	Sivaramakrishnan P	24 April 2025	Amendments to align to SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024
V4.0	Mayank Verma	23 July 2026	Amendments to align with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other ancillary changes

1. INTRODUCTION

The Board of Directors (the “Board”) of Mphasis Limited (the “Company”) has adopted the following policy and procedures with regard to determination of Material Subsidiaries as defined below. The Board may review and amend this policy from time to time.

This Policy will be applicable to the Company effective 1 October 2014 and is framed in accordance with Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) as amended from time to time.

2. POLICY OBJECTIVE

To determine the Material Subsidiaries of Mphasis Limited and to provide the governance framework for subsidiaries.

3. DEFINITIONS

"Audit Committee or Committee" means Audit Committee constituted by the Board of the Company, from time to time, under provisions of Regulation 18 of Listing Regulations and Section 177 of the Companies Act, 2013 ("the Act").

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

"Company" means Mphasis Limited.

"Independent Director" means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Act and the Listing Regulations.

"**Material Subsidiary**" shall mean a Subsidiary, whose turnover or net worth exceeds 10% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

"Policy" means Policy for determining Material Subsidiary(ies).

"Significant Transaction or Arrangement" shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted Subsidiary for the immediately preceding accounting year.

"Subsidiary" or "Subsidiary Company" shall be as defined under the Act and the Rules made thereunder.

Explanation: Any words / 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 Indian Accounting Standards or any other relevant legislation / law applicable to the Company.

4. GOVERNANCE OF SUBSIDIARIES

1. At least one Independent Director on the Board of the Company shall be a director on the Board of the unlisted Material Subsidiary, whether incorporated in India or not.

   Provided that for the purpose of the above requirement, notwithstanding anything to the contrary contained in Regulation 16(1)(c) of Listing Regulations, a Subsidiary shall be considered as a Material Subsidiary, if the turnover or net worth of the subsidiary, exceeds 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

2. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted Subsidiary Companies at least on an annual basis.

3. The Audit Committee shall also review the utilization of loans and/ or advances from/investment by the Company in, the Subsidiary Companies, exceeding rupees 100 crore or 10% of the asset size of the subsidiaries, whichever is lower.

4. The minutes of the Board Meetings of the unlisted Subsidiary Companies shall be placed before the Board of the Company.

5. The management shall on a half yearly basis bring to the attention of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements entered by the unlisted Subsidiary Companies.

6. The Audit Committee shall approve/ review the transactions undertaken by the Company or its subsidiaries with the related parties, in terms of the Company's Policy for Governance of Related Party Transactions.

7. Material unlisted subsidiary of the Company incorporated in India shall undertake secretarial audit by a Secretarial Auditor who is a Peer Reviewed Company Secretary and shall annex a Secretarial Audit Report, with the Annual Report of the Company.

5. DISPOSAL OF SHARES IN MATERIAL SUBSIDIARY

The Company, without the prior approval of the members by Special Resolution, shall not:

a) dispose shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50%; or
b) ceases the exercise of control over the Material Subsidiary; or
c) sell, dispose or lease the assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year. However, this shall not be applicable for sale, disposal or lease of assets between two wholly-owned subsidiaries of the Company.

6. SUPPLEMENTARY PROVISION

This Policy shall be placed on the website of the Company at www.mphasis.com.

The implementation of the Policy shall be monitored by the Committee from time to time. The Committee may review the Policy as and when it deems fit and recommend changes or modifications for approval of the Board.

In case of any subsequent changes in the provisions of the 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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