



Mphasis Group

Registered Office : Bagmane World Technology Center, Marathalli Ring Road, Doddanahundi Village, Mahadevapura, Bengaluru - 560 048.
Telephone: 91 80 3352 5000, Fax: 91 80 6695 9843, Website: www.mphasis.com, E-mail: Investor.relations@mpphasis.com

CIN: L30007KA1992PLC025294
Amounts in ₹ Lakhs unless otherwise stated

Sl. No.		Particulars	Statement of Consolidated Audited Financial Results for the quarter and six months ended 30 September 2014				
			Quarter ended		Six months ended		Five months ended
			30 September 2014	30 June 2014	31 October 2013 (refer note 10 and 11)	30 September 2014	31 March 2014 (refer note 10)
1		Net Sales / Income from operations (refer note 3)	146,487	149,016	159,403	295,503	313,379
2		Expenses					
		(a) Employee benefits expense	86,732	90,939	99,830	179,671	196,678
		(b) Depreciation and amortisation expense	2,468	2,629	3,537	5,097	7,192
		(c) Software development charges	8,307	7,734	5,921	16,041	11,015
		(d) Other expenses (refer note 9)	27,996	25,608	24,855	53,604	50,235
		Total expenses	127,503	126,910	134,143	254,413	265,120
3		Profit from operations before other income, finance costs and exceptional item (1-2)	18,984	22,106	25,260	41,090	48,259
4		Other income	4,395	3,564	2,215	7,959	6,501
5		Profit before finance costs and exceptional item (3+4)	23,379	25,670	27,475	49,049	54,760
6		Finance costs	908	767	1,544	1,675	2,552
7		Profit before tax and exceptional item (5-6)	22,471	24,903	25,931	47,374	52,208
8		Exceptional item (net of tax) (refer note 3)	-	-	-	-	-
9		Profit before tax (7-8)	22,471	24,903	25,931	47,374	52,208
10		Tax expense (refer note 6)	6,451	7,424	6,909	13,875	13,922
11		Net profit after tax (9-10)	16,020	17,479	19,022	33,499	38,286
12		Paid-up equity share capital	21,015	21,014	21,013	21,015	21,013
13		Reserve excluding revaluation reserves as per the balance sheet	530,978	511,059	472,432	530,978	472,432
14		Earnings per share (before exceptional item) (of ₹10/- each) (not annualised) :					
		(a) Basic (₹)	7.62	8.32	9.05	15.94	18.22
		(b) Diluted (₹)	7.62	8.31	9.04	15.93	18.19
15		Earnings per share (after exceptional item) (of ₹10/- each) (not annualised) :					
		(a) Basic (₹)	7.62	8.32	9.05	15.94	18.22
		(b) Diluted (₹)	7.62	8.31	9.04	15.93	18.19



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Select information for the quarter and six months ended 30 September 2014

Sl. No.	Particulars	Quarter ended		Six months ended		Five months ended	
		30 September 2014	30 June 2014	31 October 2013	30 September 2014	31 October 2013	31 March 2014
A	Particulars of Shareholding						
1	Public shareholding	83,033,777	83,029,327	83,020,833	83,033,777	83,020,833	83,028,555
	- Number of shares	39.51%	39.51%	39.51%	39.51%	39.51%	39.51%
	- Percentage of shareholding						
2	Promoters and promoter group shareholding						
	(a) Pledged / encumbered						
	- Number of shares	-	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	-	-	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-	-	-
	(b) Non-encumbered						
	- Number of shares	127,106,266	127,106,266	127,106,266	127,106,266	127,106,266	127,106,266
	- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of shares (as a % of the total share capital of the Company)	60.49%	60.49%	60.49%	60.49%	60.49%	60.49%
B	Investor complaints						
	Pending at the beginning of the quarter	-	-	-	-	-	-
	Received during the quarter	2	2	2	2	2	2
	Disposed off during the quarter	2	2	2	2	2	2
	Remaining unresolved at the end of the quarter	-	-	-	-	-	-



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Sl. No.	Segment wise Revenues, Results and Capital employed	Quarter ended					Six months ended		Five months ended	
		30 September 2014	30 June 2014	31 October 2013 (refer note 10 and 11)	30 September 2014	31 October 2013 (refer note 10 and 11)	31 October 2013 (refer note 10 and 11)	31 March 2014 (refer note 10)		
1	Segment revenue									
	Banking and Capital Market	61,140	60,906	68,564	122,046	130,433		109,068		
	Insurance	19,479	19,103	19,934	38,582	37,863		33,041		
	Information Technology, Communication and Entertainment	24,679	25,137	26,572	49,816	54,386		42,556		
	Emerging Industries	40,611	44,461	49,005	85,072	97,412		78,595		
	Unallocated - Hedge	578	(591)	(4,672)	(13)	(6,715)		(3,877)		
		146,487	149,016	159,403	295,503	313,379		259,383		
2	Segment results (including exceptional item)									
	Banking and Capital Market	12,547	13,400	17,647	25,947	31,358		26,693		
	Insurance	3,471	3,733	5,282	7,204	9,331		7,993		
	Information Technology, Communication and Entertainment	7,284	7,216	4,827	14,500	11,261		10,892		
	Emerging Industries	13,082	15,282	17,068	28,364	34,069		26,492		
	Unallocated - Hedge	578	(591)	(4,672)	(13)	(6,715)		(3,877)		
		36,962	39,040	40,152	76,002	79,304		68,193		
	Interest income	1,296	291	695	1,587	900		850		
	Finance costs	(908)	(767)	(1,544)	(1,675)	(2,552)		(1,114)		
	Other unallocable expenditure, net of unallocable income	(14,879)	(13,661)	(13,372)	(28,540)	(25,444)		(25,748)		
	Profit before tax	22,471	24,903	25,931	47,374	52,208		42,181		
3	Capital employed (segment assets-segment liabilities)									
	Banking and Capital Market	39,463	33,370	19,660	39,463	19,660		27,778		
	Insurance	9,972	9,343	7,209	9,972	7,209		8,306		
	Information Technology, Communication and Entertainment	16,592	17,574	21,143	16,592	21,143		20,533		
	Emerging Industries	18,748	24,300	28,316	18,748	28,316		27,330		
	Unallocated	467,218	447,486	417,117	467,218	417,117		427,550		
		551,993	532,073	493,445	551,993	493,445		511,497		



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Consolidated Statement of Assets and Liabilities		As at 30 September 2014	As at 31 March 2014
A	Equity and liabilities		
1	Shareholders' funds		
	(a) Share capital	21,015	21,014
	(b) Reserves and surplus	530,978	490,483
	Sub - total - shareholders' funds	551,993	511,497
2	Non - current liabilities		
	(a) Long - term borrowings	37,513	43,139
	(b) Deferred tax liabilities (net)	1,400	1,586
	(c) Trade payables	274	675
	(d) Other long - term liabilities	104	3,341
	(e) Long - term provisions	1	405
	Sub - total - non - current liabilities	39,292	49,146
3	Current liabilities		
	(a) Trade payables	67,768	65,944
	(b) Other current liabilities	31,743	35,875
	(c) Short - term provisions	19,516	36,543
	Sub - total - current liabilities	119,027	138,362
	Total - Equity and liabilities	710,312	699,005
B	Assets		
1	Non - current assets		
	(a) Fixed assets	20,190	22,380
	(b) Goodwill on consolidation	220,768	218,647
	(c) Non - current investments	24,990	54,091
	(d) Deferred tax assets (net)	7,623	9,681
	(e) Long - term loans and advances	63,813	63,765
	(f) Trade receivables	750	1,050
	(g) Other non - current assets	6,670	2,451
	Sub - total non - current assets	344,804	372,065
2	Current assets		
	(a) Current investments	111,370	127,452
	(b) Trade receivables	67,413	77,783
	(c) Cash, cash equivalents and other bank balances	106,940	45,827
	(d) Short - term loans and advances	23,362	21,393
	(e) Other current assets	54,423	54,485
	Sub - total - current assets	365,508	326,940
	Total Assets	710,312	699,005



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Notes:
1) The above results were taken on record at the Board Meeting held on 29 October 2014.
2) Audited Financial Results of Mphasis Limited (Standalone Information).

Sl. No.	Particulars	Quarter ended			Six months ended		Five months ended	
		30 September 2014	30 June 2014	31 October 2013 (refer note 10 and 11)	30 September 2014	31 October 2013 (refer note 10 and 11)	31 October 2013 (refer note 10)	31 March 2014 (refer note 10)

1	Net sales / income from operations	76,055	77,993	80,956	154,048	163,569	132,897	
2	Profit before tax and exceptional item	19,618	18,996	16,355	38,614	34,303	31,382	
3	Profit after tax and exceptional item	14,394	13,496	12,413	27,890	25,162	22,308	

The audited results of Mphasis Limited for the above mentioned periods, Financials summary, detailed Management Discussion & Analysis, results of operations and financial condition including detailed analysis of revenues, client concentration and human resources are available on our website www.mphasis.com. The information above has been extracted from the audited financial statements as stated.

3) On 13 February 2014, the Group entered into a definitive agreement subject to fulfillment of certain conditions for sale of a business division on a slump sale basis. Accordingly, the expected loss of ₹ 644 millions (net of tax of ₹ 332) on such sale of business has been provided for and disclosed as an exceptional item during the five months period ended 31 March 2014. The management is confident of completing the sale of business division on fulfillment of the conditions precedent as per the definitive agreement. Pending completion of the transaction, the management has provided for overdue debtors of ₹ 2,091 out of the total debtors of ₹ 3,794. The management is confident of completion of the transaction and realisation of retention money of ₹ 1,703 from such debtors and hence, the same has not been provided for.

4) During the year ended 31 October 2013, Mphasis Wyde Inc. acquired USA based Digital Risk LLC, on a cash free debt free basis for USD 1,750 (₹ 95,148) with an additional maximum earn-out component of USD 270 (₹ 14,680) payable in five tranches over next 30 months ending 31 July 2015. Accordingly, the financial results of Digital Risk LLC and its subsidiaries have been consolidated into the consolidated financial results effective 11 February 2013 resulting in goodwill of ₹ 101,695 on acquisition. First and second tranche liability of USD 540 each has been paid during the year ended 31 October 2013 (₹ 3,321) and quarter ended 30 June 2014 (₹ 3,257 millions) towards earn-out liability. During the quarter ended 30 September 2014 based on expected outflow earn-out liability of USD 72 (₹ 4,446) has been reversed and adjusted to Goodwill.

5) The Board of Directors in its meeting held on 27 September 2013 had approved the scheme of amalgamation ('the scheme') of Mphasis Finsource Limited, a wholly owned subsidiary of the Company, carrying on the business of business process outsourcing, into the Company with effect from 1 April 2013. The Honourable High Court of Karnataka had passed orders approving the scheme on 19 June 2014. Upon filing of the orders of the Honourable High Court of Karnataka with the Registrar of Companies on 04 September 2014, the scheme became effective. This merger has no impact on the consolidated financial results.

6) Tax expenses for the quarter and six months ended 30 September 2014 include provision for earlier periods amounting to ₹ 423 and ₹ 423 (Five months ended 31 March 2014: ₹ 394 and provision / (reversal) pertaining to earlier periods for quarter and six months ended 31 October 2013: ₹ 72) and ₹ 841 respectively.

7) Pursuant to the notification of Schedule II of the Companies Act, 2013 ('the Act'), by the Ministry of Corporate Affairs effective 01 April 2014, the management has internally reassessed and changed, wherever necessary the useful lives to compute depreciation, to conform to the requirements of the Act. Accordingly, the carrying amount as at 01 April 2014 is being depreciated over the revised remaining useful life of the asset. Had the Group continued with the previously assessed useful lives, charge for depreciation for the quarter and six months ended 30 September 2014 would have been higher by ₹ 136 and ₹ 260 on assets held at 1 April 2014 and the profit before tax would have been lower by such amount. Further, the carrying value of ₹ 189, in case of assets with nil revised remaining useful life as at 01 April 2014 is reduced after tax adjustments from the retained earnings as at such date.

8) In respect of certain unit priced contract(s), the revenue was being recognised on completion of all the milestones required in respect of each contract. Effective 01 July 2014, the Group has refined the revenue recognition method and revenue is being recognised on completion of individually recognisable milestone in respect of each such contract. As a result of such change, incremental revenue of ₹ 1,601 has been recognised during the quarter with a consequential impact on the profit before tax for the quarter and six months ended 30 September 2014.

9) Other expenses for the quarter and six months ended 30 September 2014 are net of reversals of ₹ 1,548 and ₹ 2,405 pertaining to earlier periods (Five months ended 31 March 2014: ₹ 1,069 and quarter and six months ended 31 October 2013 ₹ Nil and ₹ Nil) respectively.

10) The Group has changed its accounting year end from October to March, effective 01 November 2013. Consequently to such change, the figures furnished by the management for comparative corresponding quarter and six months are for quarter and six months ended 31 October 2013, which represents the nearest period to the corresponding quarter and six months ended i.e., 30 September 2013. Hence, the same is not comparable with the current period's figures for the quarter and six months period ended 30 September 2014.

11) The figures for the quarter ended 31 October 2013 and six months ended 31 October 2013 are the balancing figures between audited figures for full financial year and the audited year - to - date figures for nine months and six months ended 31 July 2013 and 30 April 2013.

12) Previous period's figures have been reclassified to conform with the current period's classification, wherever applicable.

New York, U.S.A.
29 October 2014

By Order of the Board,
Mphasis Limited

Balu Ganesh Ayyar
Chief Executive Officer