

Statement of Consolidated Audited Financial Results for the quarter and nine months ended 31 December 2014

Sl. No.	Particulars	Quarter ended		Nine months ended		Five months ended
		31 December 2014	30 September 2014	31 January 2014 (refer note 10)	31 December 2014 (refer note 10 and 11)	31 March 2014 (refer note 10)
1	Net Sales / Income from operations (refer note 3)	141,075	146,487	156,397	436,578	469,776
2	Expenses					
	(a) Employee benefits expense	89,285	88,732	99,777	268,956	296,455
	(b) Depreciation and amortisation expense	2,363	2,468	2,935	7,480	10,127
	(c) Software development charges	9,877	8,307	4,897	25,918	15,912
	(d) Other expenses (refer note 5)	21,250	27,996	25,619	74,854	75,854
	Total expenses	122,795	127,503	133,228	377,208	398,348
3	Profit from operations before other income, finance costs and exceptional item (1-2)	18,280	18,984	23,169	59,370	71,428
4	Other income	4,964	4,395	3,049	12,923	9,550
5	Profit before finance costs and exceptional item (3+4)	23,244	23,379	26,218	72,293	80,978
6	Finance costs	608	908	684	2,283	3,236
7	Profit before tax and exceptional item (5-6)	22,636	22,471	25,534	70,010	77,742
8	Exceptional item (net of tax) Expected loss on proposed sale of a business unit (refer note 3) Restructuring expenses	- 316	-	644	- 316	644
9	Profit before tax (7-8)	22,320	22,471	24,890	69,694	77,098
10	Tax expense (refer note 6)	6,124	6,451	6,830	19,999	20,752
11	Net profit after tax (9-10)	16,196	16,020	18,060	49,695	56,346
12	Paid-up equity share capital	21,015	21,015	21,014	21,015	21,014
13	Reserve excluding revaluation reserves as per the balance sheet	550,714	530,978	496,664	550,714	496,664
14	Earnings per share (before exceptional item) (of ₹10/- each) (not annualised) :					
	(a) Basic (₹)	7.86	7.62	8.90	23.80	27.12
	(b) Diluted (₹)	7.85	7.62	8.89	23.77	27.08
15	Earnings per share (after exceptional item) (of ₹10/- each) (not annualised) :					
	(a) Basic (₹)	7.71	7.62	8.59	23.65	26.82
	(b) Diluted (₹)	7.70	7.62	8.58	23.61	26.78
						14.40
						14.39



Mphasis Group
Registered Office : Bagmane World Technology Center, Marthalli Ring Road, Doddanahundi Village, Mahadevapura, Bengaluru - 560 048.
Telephone: 91 80 3352 5000, Fax: 91 80 6695 9943, Website: www.mphasis.com, E-mail: investor.relations@mphasis.com

CIN: L30007KA1992PLC025294
Amounts in ₹ Lakhs unless otherwise stated

Select information for the quarter and nine months ended 31 December 2014

Sl. No.	Particulars	Quarter ended			Nine months ended		Five months ended
		31 December 2014	30 September 2014	31 January 2014	31 December 2014	31 January 2014	
A	Particulars of Shareholding						
1	Public shareholding						
	- Number of shares	83,034,557	83,033,777	83,024,505	83,034,557	83,024,505	
	- Percentage of shareholding	39.51%	39.51%	39.51%	39.51%	39.51%	
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	
	- 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%	
	- Percentage of shares (as a % of the total share capital of the Company)	60.49%	60.49%	60.49%	60.49%	60.49%	
B	Investor complaints	Quarter ended 31 December 2014					
	Pending at the beginning of the quarter	-	-	-	-	-	
	Received during the quarter	-	-	-	-	-	
	Disposed off during the quarter	-	-	-	-	-	
	Remaining unresolved at the end of the quarter	-	-	-	-	-	

Sl. No.	Segment wise Revenues, Results and Capital employed	Quarter ended			Nine months ended		Five months ended
		31 December 2014	30 September 2014	31 January 2014 (refer note 10)	31 December 2014	31 January 2014 (refer note 10 and 11)	
1	Segment revenue						
	Banking and Capital Market	55,709	61,140	65,730	177,755	196,163	109,068
	Insurance	21,044	19,479	20,424	59,626	58,287	33,041
	Information Technology, Communication and Entertainment	23,791	24,679	25,568	73,608	79,954	42,556
	Emerging Industries	40,279	40,611	47,154	125,350	144,566	78,595
	Unallocated - Hedge	252	578	(2,479)	239	(9,194)	(3,877)
		141,075	146,487	156,397	436,578	469,776	259,383
2	Segment results (including exceptional item)						
	Banking and Capital Market	7,196	12,547	15,094	33,143	46,452	26,693
	Insurance	4,183	3,471	5,715	11,387	15,046	7,993
	Information Technology, Communication and Entertainment	7,453	7,284	6,574	21,953	17,835	10,892
	Emerging Industries	13,591	13,082	15,911	41,956	49,980	26,492
	Unallocated - Hedge	252	578	(2,479)	239	(9,194)	(3,877)
		32,675	36,962	40,815	108,678	120,119	68,193
	Interest Income	1,809	1,296	562	3,396	1,462	850
	Finance costs	(608)	(908)	(684)	(2,283)	(3,236)	(1,114)
	Other unallocable expenditure, net of unallocable income	(11,556)	(14,879)	(15,803)	(40,097)	(41,247)	(25,748)
	Profit before tax	22,320	22,471	24,890	69,694	77,098	42,181
3	Capital employed (segment assets-segment liabilities)						
	Banking and Capital Market	39,765	39,463	21,572	39,765	21,572	27,778
	Insurance	10,407	9,972	9,630	10,407	9,630	8,306
	Information Technology, Communication and Entertainment	14,896	16,592	20,932	14,896	20,932	20,533
	Emerging Industries	20,622	18,748	27,432	20,622	27,330	27,330
	Unallocated	486,039	467,218	438,112	486,039	438,112	427,550
		571,729	551,993	517,678	571,729	517,678	511,497



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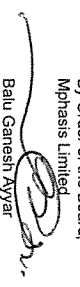
- Notes:**
1) The above results were taken on record at the Board Meeting held on 13 February 2015.
2) Audited Financial Results of Mphasis Limited (Standalone Information).

Sl. No.	Particulars	Quarter ended			Nine months ended		Five months ended
		31 December 2014	30 September 2014	31 January 2014 (refer note 10)	31 December 2014 (refer note 10)	31 January 2014 (refer note 10 and 11)	31 March 2014 (refer note 10)
1	Net sales / income from operations	74,862	76,055	79,732	228,910	243,302	132,897
2	Profit before tax and exceptional item	17,646	19,618	19,304	56,260	53,607	31,382
3	Profit after tax and exceptional item	14,477	14,394	13,957	42,367	39,118	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 (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) 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 nine months ended 31 December 2014 include provision for earlier periods amounting to ₹ 342 and ₹ 765 [Five months ended 31 March 2014: ₹ 394 and provision / (reversal) pertaining to earlier periods for quarter and nine months ended 31 January 2014: ₹ Nil 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 nine months ended 31 December 2014 would have been higher by ₹ 139 and ₹ 398 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 ₹ 1,502 has been recognised during the nine months with a consequential impact on the profit before tax for the nine months ended 31 December 2014.
- 9) Other expenses for the quarter and nine months ended 31 December 2014 are net of reversals of ₹ 1,917 and ₹ 4,322 which is no longer required (Five months ended 31 March 2014: ₹ 1,069 and quarter and nine months ended 31 January 2014 ₹ 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 nine months are for quarter and nine months ended 31 January 2014, which represents the nearest period to the corresponding quarter and nine months ended i.e., 31 December 2013. Hence, the same is not comparable with the current period's figures for the quarter and nine months period ended 31 December 2014.
- 11) The figures for the nine months ended 31 January 2014 are the sum of audited figures of six months ended 31 October 2013 and audited figures of quarter ended 31 January 2014.
- 12) Previous period's figures have been reclassified to conform with the current period's classification, wherever applicable.

Singapore
13 February 2015

By Order of the Board,
Mphasis Limited

Balu Ganesh Ayar
Chief Executive Officer