

INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF CMC LIMITED

1. We have reviewed the accompanying Statement comprising the "Standalone Unaudited Financial Results for the Quarter and nine month period ended 31 December, 2014" of **CMC LIMITED** ("the Company") and also the "Consolidated Unaudited Financial Results for the Quarter and nine month period ended 31 December, 2014" of the Company and its subsidiaries (referred to as "the Group") (herein referred to as 'Statement'), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosure in Part II - Select information referred to in paragraph 5 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. The Statement includes the Consolidated Financial Results of the following entities :
 - i. CMC Limited
 - ii. CMC Americas, Inc.
 - iii. CMC eBiz, Inc.
4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Deloitte Haskins & Sells

5. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to Investor complaints disclosed in Part II - Select information for the Quarter and Nine month period ended 31 December, 2014 of the Statement from the details furnished by the Registrars.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 015125N)



A handwritten signature in blue ink that reads 'Alka Chadha'.

Alka Chadha
Partner
(Membership No. 93474)

Mumbai, 12 January, 2015

CMC LIMITED

CIN: L72200TG1975PLD001970

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Hyderabad- 500 032 (TG)

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Unaudited Financial Results for the Quarter and Nine month period ended 31 December, 2014

Part I	(Amount in Rs. Lakhs)											
	Standalone						Consolidated					
	Quarter ended 31 December, (unaudited)	Quarter ended 30 September, (unaudited)	Quarter ended 31 December, (unaudited)	Nine month period ended 31 December, (unaudited)	Nine month period ended 31 March, (Audited)	Quarter ended 31 December, (unaudited)	Quarter ended 30 September, (unaudited)	Quarter ended 31 December, (unaudited)	Nine month period ended 31 December, (unaudited)	Nine month period ended 31 December, (unaudited)	Year ended 31 March, (Audited)	
	2014	2014	2013	2014	2014	2014	2014	2013	2014	2013	2014	
1. Income from Operations	30856.18	31542.75	29447.29	83665.02	85096.03	118979.15	63912.49	61668.71	56092.91	194744.72	160771.25	223092.90
2. Expenses												
(a) Purchase of stock-in-trade	3994.87	5368.45	5146.77	14123.21	13103.49	19405.54	3894.87	5368.45	5146.77	14123.21	13103.49	19405.54
(b) Changes in inventories of work-in-progress and stock-in-trade	(424.10)	(815.27)	(28.61)	(558.60)	282.63	792.25	(424.10)	(815.27)	(28.61)	(558.60)	282.63	792.25
(c) Employee benefits expense	11342.29	11020.30	10307.98	32730.80	30160.22	40260.84	15332.23	14544.38	14367.40	43737.65	41380.03	55467.51
(d) Sub contracting and outsourcing cost	3912.32	4073.70	2976.02	12131.78	9814.82	13349.92	29745.18	26241.97	22113.79	81498.49	64414.26	88789.34
(e) Depreciation and amortisation expense	1161.67	1222.70	655.49	3673.19	1883.99	2655.92	1162.54	1223.65	665.16	3676.01	1921.83	2698.32
(f) Other expenses	5567.37	5525.71	4960.48	16039.22	14726.35	18044.13	5837.69	5929.56	5411.87	17097.21	15963.60	19704.47
Total expenses (a to f)	25544.42	26395.59	24018.13	78139.60	69871.50	94506.60	55538.41	52492.74	47676.38	195874.97	137065.84	166857.43
3. Profit from operations before other income, finance costs and exceptional items	5111.76	5147.16	5429.16	15525.42	15124.53	24470.55	8174.08	9175.97	8416.53	25169.75	23705.41	36235.07
4. Other income	201.42	230.32	312.27	913.92	7044.77	14110.82	211.26	292.32	313.52	964.55	1531.53	2500.98
5. Profit before finance costs and exceptional items	5313.18	5377.48	5741.43	16439.24	22169.30	38581.37	8385.34	9428.29	8730.05	26134.30	25236.94	38736.05
6. Finance costs	0.11	0.08	0.18	0.38	0.52	0.69	1.22	0.17	4.31	1.98	5.07	7.30
7. Profit after finance costs but before exceptional items	5313.07	5377.40	5741.25	16438.86	22168.78	38580.68	8384.12	9428.12	8725.74	26132.32	25231.87	38728.75
8. Exceptional item - Depreciation and amortisation expenses (See note 5)	-	-	-	1882.76	-	-	-	-	-	1882.76	-	-
9. Profit before tax	5313.07	5377.40	5741.25	14556.08	22168.78	38580.68	8384.12	9428.12	8725.74	24249.54	25231.87	38728.75
10. Tax expense	199.57	165.87	684.23	38.19	2882.11	6219.99	1172.45	1828.41	1671.36	3695.33	6133.76	10687.24
11. Net Profit after tax	5113.50	5211.53	5057.02	14517.89	19286.67	32360.69	7211.67	7598.71	7054.38	20654.21	19098.09	28041.51
12. Paid-up equity share capital (Face value Rs. 10 each)	3030.00	3030.00	3030.00	3030.00	3030.00	3030.00	3030.00	3030.00	3030.00	3030.00	3030.00	3030.00
13. Reserves (excluding revaluation reserves)	16.86	17.20	16.66	47.91	63.65	105.60	23.80	25.08	23.28	68.17	63.03	92.55
14. Earning per share - Basic and Diluted (Rs.) (not annualised)												



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Unaudited Financial Results for the Quarter and Nine month period ended 31 December, 2014
 Segment wise Revenue, Results and Capital Employed for the Quarter and Nine month period ended 31 December, 2014

Particulars	Standalone						Consolidated					
	Quarter ended 31 December, (unaudited) 2014	Quarter ended 31 December, (unaudited) 2013	Quarter ended 31 December, (unaudited) 2014	Quarter ended 31 December, (unaudited) 2013	Year ended 31 March, (Audited) 2014	Year ended 31 March, (Audited) 2013	Quarter ended 30 September, (unaudited) 2014	Quarter ended 31 December, (unaudited) 2013	Nine month period ended 31 December, (unaudited) 2014	Nine month period ended 31 December, (unaudited) 2013	Year ended 31 March, (Audited) 2014	
Segment Revenue (a to e)												
(a) Customer services	8537.66	9047.19	8366.04	27140.69	36902.62	10143.47	10317.64	29862.08	28863.34	40845.87		
(b) Systems integration	11866.10	11933.70	35373.75	32197.08	45497.30	43934.73	36937.61	123034.04	101511.41	141350.63		
(c) IT enabled services	7315.04	7352.11	6028.64	19605.20	26296.92	7677.08	7248.75	22896.65	22889.02	30613.69		
(d) Education and training	1252.25	1288.95	1628.06	3848.13	5792.26	1262.25	1628.06	3648.13	4415.14	5792.26		
(e) Special Economic Zone (SEZ)	1685.11	1942.97	1060.85	5373.62	4490.05	1895.11	1060.85	5373.62	3112.34	4490.05		
Total	30656.18	31542.75	85096.03	118979.15	14110.82	61668.71	56052.91	164744.72	160771.26	223062.50		
(f) Other unallocable revenue	201.42	230.32	312.27	913.82	14110.82	211.26	313.52	864.55	1531.53	2500.98		
Total Revenue	30857.60	31773.07	85408.30	119892.97	28221.64	61880.00	56366.43	165609.27	162302.78	225563.48		
Segment Results (a to e)												
Profit before tax and finance costs from each segment												
(a) Customer services	450.38	184.68	650.49	1019.52	1846.64	632.96	964.75	1899.62	2156.01	2988.69		
(b) Systems integration	4315.89	4296.41	4306.00	12961.58	19758.00	8554.95	7203.95	22856.96	20450.83	31352.91		
(c) IT enabled services	2175.44	2316.62	1704.45	6588.20	7845.00	2347.63	2081.24	6839.62	6455.93	9077.09		
(d) Education and training	(48.23)	(364.97)	204.10	(697.73)	631.39	(48.23)	204.10	(697.73)	546.40	631.39		
(e) SEZ	1033.24	1284.73	792.31	3383.40	3343.85	1284.73	792.31	3383.40	2346.38	3343.85		
Total	7926.52	7699.47	7686.35	23214.97	33426.88	11609.08	11246.35	34349.87	31955.55	47373.83		
Less:												
i. Finance costs	0.11	0.08	0.16	0.38	0.69	1.22	4.31	1.98	5.07	7.30		
ii. Other unallocable expenditure												
(net of unallocable income)	2613.34	2321.99	1944.92	6775.73	(5154.49)	3007.01	2516.30	8215.57	6718.61	8637.78		
Exceptional item - Depreciation and amortisation expenses (See note 3)	-	-	-	1882.78	-	-	-	1882.78	-	-		
Total Profit before tax	5313.07	5377.40	5741.25	14556.08	38580.68	9428.12	8725.74	24249.54	25231.87	38728.75		
Capital Employed												
Segment Assets - Segment Liabilities (a to e)												
(a) Customer services	20789.12	16622.40	12709.33	20789.12	13080.74	17346.29	12747.04	21256.09	12747.04	13328.89		
(b) Systems integration	18250.01	18462.19	18581.57	18250.01	21841.86	28310.11	21770.07	24501.84	21770.07	21936.87		
(c) IT enabled services	7318.49	7072.94	6648.61	7318.49	5705.16	7519.31	7900.67	6863.31	7900.67	6643.51		
(d) Education and training	(563.22)	(522.69)	836.69	(563.22)	780.06	(522.69)	836.69	(953.22)	836.69	760.06		
(e) SEZ	39088.25	37049.92	34356.62	39088.25	35472.81	37049.92	34356.62	39088.25	34356.62	35472.81		
Total	84882.65	78884.76	73132.82	84882.65	76876.63	89702.94	77611.09	91146.27	77611.09	78142.14		
Unallocable Assets less Liabilities	37296.01	38180.40	29430.06	37296.01	30790.14	39669.74	37349.54	45790.75	37349.54	37454.98		
Total Capital Employed	122178.66	117065.16	102562.88	122178.66	107666.77	129372.68	114960.63	136937.02	114960.63	115597.13		



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Part II - Select Information	Standalone				Consolidated						
	Quarter ended 31 December, (unaudited) 2014	Quarter ended 30 September, (unaudited) 2014	Quarter ended 31 December, (unaudited) 2013	Nine month period ended 31 December, (unaudited) 2014	Quarter ended 31 December, (unaudited) 2014	Quarter ended 30 September, (unaudited) 2014	Quarter ended 31 December, (unaudited) 2013	Nine month period ended 31 December, (unaudited) 2014	Year ended 31 March, (Audited) 2014	Nine month period ended 31 December, (unaudited) 2013	Year ended 31 March, (Audited) 2014
A. PARTICULARS OF SHAREHOLDING											
1. Public shareholding											
- Number of shares	14810078	14810078	14810078	14810078	14810078	14810078	14810078	14810078	14810078	14810078	14810078
- Percentage of shareholding	48.88	48.88	48.88	48.88	48.88	48.88	48.88	48.88	48.88	48.88	48.88
2. Promoters and promoter group shareholding											
(a) Pledged / Encumbered											
- Number of Shares	-	-	-	-	-	-	-	-	-	-	-
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-	-	-	-	-	-
- Percentage of Shares (as a % of the total share capital of the Company)	-	-	-	-	-	-	-	-	-	-	-
(b) Non-encumbered											
- Number of Shares	15488922	15488922	15488922	15488922	15488922	15488922	15488922	15488922	15488922	15488922	15488922
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00	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)	51.12	51.12	51.12	51.12	51.12	51.12	51.12	51.12	51.12	51.12	51.12

Particulars	Quarter ended 31 December, 2014
B. INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	Nil
Received during the quarter	Nil
Disposed of during the quarter	Nil
Remaining unresolved at the end of the quarter	Nil



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Notes to Unaudited Financial Results :

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 12 January, 2015.
- 2 Consolidated results comprise consolidation of the financial results of CMC Limited and the consolidated results of its wholly owned subsidiary CMC Americas, Inc. and its subsidiary CMC eBiz, Inc. (referred to as 'the Group')
- 3 The Company has revised its estimated useful life of fixed assets, wherever appropriate, effective 1 April, 2014 based on an evaluation. The carrying amount as on 1 April, 2014 is being depreciated over the revised remaining useful life. As a result of these changes, the depreciation charge for the quarter ended 30 September, 2014, for the quarter ended 31 December, 2014, and for the nine month period ended 31 December, 2014 is higher by Rs. 475.01 lakhs, Rs. 448.94 lakhs and Rs. 3347.50 lakhs respectively and the effect relating to the period prior to 1 April, 2014 is Rs.1882.78 lakhs (excluding deferred tax credit of Rs. 639.96 lakhs) which has been shown as an 'Exceptional Item' for the nine month period ended 31 December, 2014.
- 4 Other income of the Company for the nine month period ended 31 December, 2013 and for the year ended 31 March, 2014 includes Rs. 5648.65 lakhs and Rs. 11746.65 lakhs respectively pertaining to dividend received from its wholly owned subsidiary CMC Americas, Inc.
- 5 The Company had received a favourable decision in a legal case against a customer which had resulted in increase in profit before tax for the year ended 31 March, 2014 by Rs. 3766.15 lakhs. This increase was on account of increase in income from operations and other income by Rs. 1897.77 lakhs and Rs. 594.19 lakhs respectively and reduction in other expenses by Rs. 1857.00 lakhs which was partially offset by an increase in purchase of stock in trade by Rs. 582.81 lakhs.
- 6 Previous period figures have been regrouped, wherever necessary.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants



Alka Chadha
Partner

Mumbai
12 January, 2015

For and on behalf of the Board of Directors


R. Ramanan
Managing Director & CEO

Mumbai
12 January, 2015



