

Statement of Standalone Audited Financial Results 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 (refer note 3)	31 October 2013 (refer note 7 and 8)	30 September 2014	31 October 2013 (refer note 7 and 8)	31 March 2014 (refer note 7)	31 October 2013 (refer note 7 and 8)	31 March 2014 (refer note 7)
1	Net Sales / Income from operations (refer note 2)	76,055	77,993	80,956	154,048	163,569	132,897		
2	Expenses								
	(a) Employee benefits expense	35,325	36,063	36,865	71,388	75,515	61,526		
	(b) Depreciation and amortisation expense	836	890	1,547	1,726	3,479	1,944		
	(c) Software development charges	8,806	9,858	14,215	18,664	27,256	17,294		
	(d) Other expenses (refer note 6)	14,985	15,071	13,535	30,056	27,750	25,329		
	Total expenses	59,952	61,882	66,162	121,834	134,000	106,093		
3	Profit from operations before other income, finance costs and exceptional item (1-2)	16,103	16,111	14,794	32,214	29,569	26,804		
4	Other income	3,814	3,028	2,400	6,842	5,946	4,621		
5	Profit before finance costs and exceptional item (3+4)	19,917	19,139	17,194	39,056	35,515	31,425		
6	Finance costs	299	143	839	442	1,212	43		
7	Profit before tax and exceptional item (5-6)	19,618	18,996	16,355	38,614	34,303	31,382		
8	Exceptional item (net of tax) (refer note 2)	-	-	-	-	-	644		
9	Profit before tax (7-8)	19,618	18,996	16,355	38,614	34,303	30,738		
10	Tax expense (refer note 4)	5,224	5,500	3,942	10,724	9,141	8,430		
11	Net profit after tax (9-10)	14,394	13,496	12,413	27,890	25,162	22,308		
12	Paid-up equity share capital	21,015	21,014	21,013	21,015	21,013	21,014		
13	Reserve excluding revaluation reserves as per the balance sheet	394,283	379,646	350,662	394,283	350,662	364,463		
14	Earnings per share (before exceptional item) (of ₹10/- each) (not annualised):								
	(a) Basic (₹)	6.85	6.42	5.91	13.27	11.97	10.92		
	(b) Diluted (₹)	6.84	6.42	5.90	13.26	11.96	10.91		
15	Earnings per share (after exceptional item) (of ₹10/- each) (not annualised):								
	(a) Basic (₹)	6.85	6.42	5.91	13.27	11.97	10.62		
	(b) Diluted (₹)	6.84	6.42	5.90	13.26	11.96	10.60		



Mphasis Limited
Registered Office: Bagmane World Technology Center, Marathalli Ring Road, Doddanakhundi 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 six months ended 30 September 2014

Sl. No.	Particulars	Quarter ended		Six months ended		Five months ended	
		30 September 2014	30 June 2014	30 September 2014	31 October 2013	31 October 2013	31 March 2014
A	Particulars of Shareholding						
1	Public share holding						
	- Number of shares	83,033,777	83,029,327	83,020,833	83,020,833	83,020,833	83,028,555
	- Percentage of shareholding	39.51%	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 total shareholding of the promoter and promoter group)	-	-	-	-	-	-
	- Percentage of shares (as a % of 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 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 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	-	-	-	-	-	-

Sl. No.	Segment wise Revenue, Results and Capital employed	Quarter ended			Six months ended		Five months ended	
		30 September 2014	30 June 2014 (refer note 3)	31 October 2013 (refer note 7 and 8)	30 September 2014	31 October 2013 (refer note 7 and 8)	31 March 2014 (refer note 7)	
1	Segment revenue							
	Banking and Capital Market	21,127	19,689	19,885	40,816	38,360	33,133	
	Insurance	14,279	13,172	27,451	26,838	22,327	22,327	
	Information Technology, Communication and Entertainment	16,161	17,130	16,707	33,291	34,948	29,031	
	Emerging Industries	24,143	28,554	34,529	52,697	69,871	51,975	
	Unallocated - hedge	345	(552)	(4,410)	(207)	(6,448)	(3,569)	
		76,055	77,993	80,956	154,048	163,569	132,897	
2	Segment results (including exceptional item)							
	Banking and Capital Market	3,349	3,065	4,700	6,414	8,006	5,470	
	Insurance	4,351	3,862	4,964	8,213	8,746	6,669	
	Information Technology, Communication and Entertainment	4,526	5,025	2,921	9,551	7,363	8,076	
	Emerging Industries	8,308	11,098	11,990	19,406	24,755	20,016	
	Unallocated - hedge	345	(552)	(4,410)	(207)	(6,448)	(3,569)	
		20,879	22,498	20,165	43,377	42,422	36,562	
	Interest income	1,254	277	463	1,531	506	661	
	Finance costs	(299)	(143)	(839)	(442)	(1,212)	(43)	
	Other unallocable expenditure, net of unallocable income	(2,216)	(3,636)	(3,434)	(5,852)	(7,413)	(6,542)	
	Profit before tax	19,618	18,996	16,355	38,614	34,303	30,738	
3	Capital employed (segment assets-segment liabilities)							
	Banking and Capital Market	27,978	21,696	16,231	27,978	16,231	18,096	
	Insurance	9,462	8,671	2,539	9,462	2,539	8,368	
	Information Technology, Communication and Entertainment	10,391	9,204	15,804	10,391	15,804	11,830	
	Emerging Industries	12,164	18,263	16,335	12,164	16,335	20,210	
	Unallocated	355,303	342,826	320,766	355,303	320,766	326,973	
		415,298	400,660	371,675	415,298	371,675	385,477	



Mphasis Limited
 Registered Office: Bagmane World Technology Center, Marathalli 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

Sl. No.	Standalone Statement of Assets and Liabilities	As at 30 September 2014	As at 31 March 2014
A	Equity and liabilities		
1	Shareholders' funds	21,015	21,014
	(a) Share capital	394,283	364,463
	(b) Reserves and surplus		
	Sub - total - shareholders' funds	415,298	385,477
2	Non - current liabilities		
	(a) Trade payables	274	508
	(b) Other long - term liabilities	104	105
	(c) Long - term provisions	1	405
	Sub - total - non - current liabilities	379	1,018
3	Current liabilities		
	(a) Trade payables	47,607	47,610
	(b) Other current liabilities	5,335	6,890
	(c) Short - term provisions	10,902	28,028
	Sub - total - current liabilities	63,844	82,528
	Total - Equity and liabilities	479,521	469,023
B	Assets		
1	Non - current assets		
	(a) Fixed assets	7,468	7,616
	(b) Non - current investments	154,099	183,192
	(c) Deferred tax assets (net)	4,923	6,483
	(d) Long - term loans and advances	52,528	52,142
	(e) Trade receivables	750	978
	(f) Other non - current assets	7,244	3,231
	Sub - total non - current assets	227,012	253,642
2	Current assets		
	(a) Current investments	72,184	86,350
	(b) Trade receivables	47,560	50,160
	(c) Cash, cash equivalents and other bank balances	82,286	27,339
	(d) Short - term loans and advances	24,838	25,420
	(e) Other current assets	25,641	26,112
	Sub - total - current assets	252,509	215,381
	Total Assets	479,521	469,023



Mphasis Limited

Registered Office: Bagmane World Technology Center, Marathalli Ring Road, Doddanakhundi 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

Notes:

- 1) The above results were taken on record at the Board Meeting held on 29 October 2014.
- 2) On 13 February 2014, the Company has 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 ₹ 332) on such sale of business has been provided for and disclosed as an exceptional item during 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.
- 3) 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 and accordingly, the Company has given effect to the merger in the financial results for the current quarter and the figures for the immediately preceding quarter ended 30 June 2014 have been restated. Further, the assets and liabilities of Mphasis Finsource Limited have been accounted by the Company as per the pooling of interest method prescribed by Accounting Standard 14 - "Accounting for amalgamations" issued by the Institute of Chartered Accountants of India. The share capital of Mphasis Finsource Limited and investments of the Company have been cancelled and no difference arises on such cancellation.
- 4) Tax expense for the quarter and six months ended 30 September 2014 includes provision for earlier years amounting to ₹ Nil and ₹ Nil respectively [Five months ended 31 March 2014: ₹ 476 and provision / (reversal) pertaining to earlier periods for quarter and six months ended 31 October 2013: (₹ 72) and ₹ 841 respectively].
- 5) 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 Company 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 ₹ 156 and ₹ 328 on assets held at 01 April 2014 and the profit before tax would have been lower by such amount. Further, the carrying value of ₹ 7, in case of assets with nil revised remaining useful life as at 01 April 2014 is reduced after tax adjustment from the retained earnings as at such date.
- 6) Other expenses for the quarter and six months ended 30 September 2014 are net of reversal of ₹ 1,084 and ₹ 1,941 pertaining to earlier periods (Five months ended 31 March 2014: ₹ 1,006 and quarter and six months ended 31 October 2013 ₹ Nil and ₹ Nil) respectively.
- 7) The Company 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 the quarter and six months ended 31 October 2013, which represents the nearest period to the corresponding quarter and six months ended 30 September 2014.
- 8) 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 respectively.
- 9) 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



Mphasis Group
Registered Office : Bagmane World Technology Center, Marathalli Ring Road, Doodanahundi Village, Mahadevapura, Bengaluru - 560 048.
Telephone: 91 80 3352 5000, Fax: 91 80 6695 9843, Website: www.mphasis.com, E-mail: Investor.relations@mphasis.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		
		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 March 2014 (refer note 10)
1	Net Sales / Income from operations (refer note 3)	146,487	149,016	159,403	295,503	313,379	259,383
2	Expenses						
	(a) Employee benefits expense	86,732	90,939	99,830	179,671	196,678	162,740
	(b) Depreciation and amortisation expense	2,468	2,629	3,537	5,097	7,192	5,039
	(c) Software development charges	8,307	7,734	5,921	16,041	11,015	9,482
	(d) Other expenses (refer note 9)	27,996	25,608	24,855	53,604	50,235	43,403
	Total expenses	127,503	126,910	134,143	254,413	265,120	220,664
3	Profit from operations before other income, finance costs and exceptional item (1-2)	18,984	22,106	25,260	41,090	48,259	38,719
4	Other income	4,395	3,564	2,215	7,959	6,501	5,220
5	Profit before finance costs and exceptional item (3+4)	23,379	25,670	27,475	49,049	54,760	43,939
6	Finance costs	808	767	1,544	1,675	2,552	1,114
7	Profit before tax and exceptional item (5-6)	22,471	24,903	25,931	47,374	52,208	42,825
8	Exceptional item (net of tax) (refer note 3)	-	-	-	-	-	644
9	Profit before tax (7-8)	22,471	24,903	25,931	47,374	52,208	42,181
10	Tax expense (refer note 6)	6,451	7,424	6,909	13,875	13,922	11,913
11	Net profit after tax (9-10)	16,020	17,479	19,022	33,499	38,286	30,268
12	Paid-up equity share capital	21,015	21,014	21,013	21,015	21,013	21,014
13	Reserve excluding revaluation reserves as per the balance sheet	530,978	511,059	472,432	530,978	472,432	490,483
14	Earnings per share (before exceptional item) (of ₹10/- each) (not annualised) :						
	(a) Basic (₹)	7.62	8.32	9.05	15.94	18.22	14.71
	(b) Diluted (₹)	7.62	8.31	9.04	15.93	18.19	14.69
15	Earnings per share (after exceptional item) (of ₹10/- each) (not annualised) :						
	(a) Basic (₹)	7.62	8.32	9.05	15.94	18.22	14.40
	(b) Diluted (₹)	7.62	8.31	9.04	15.93	18.19	14.39



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 9943, Website: www.mphasis.com, E-mail: investor.relations@mpphasis.com

CIN: L30007KA1992PLC025294
 Amounts in ₹ Lakhs unless otherwise stated

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 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	-	-	-	-	-	-	



Mphasis Group
Registered Office : Bagmane World Technology Center, Marathalli Ring Road, Dodidanahundi 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

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 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	10,992		
	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		



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 9943, Website: www.mphasis.com, E-mail: investor.relations@mphasis.com

CIN: L30007KA1992PLC025294
 Amounts in ₹ Lakhs unless otherwise stated

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	21,014	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	695,005
B	Assets		
1	Non - current assets		
	(a) Fixed assets	20,190	22,380
	(b) Goodwill on consolidation	220,768	216,647
	(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	695,005



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 9943, Website: www.mphasis.com, E-mail: investor.relations@mphasis.com

CIN: L30007KA1992PLC025294
Amounts in ₹ Lakhs unless otherwise stated

- 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	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	Net sales / income from operations	76,065	77,993	154,048	163,569	132,897	
2	Profit before tax and exceptional item	19,618	18,996	38,614	34,303	31,362	
3	Profit after tax and exceptional item	14,394	13,496	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 ₹ 84] 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

Auditor's Report on Quarterly Consolidated Financial Results and Year to Date Consolidated Financial Results of Mphasis Limited Pursuant to the Clause 41 of the Listing Agreement

To
The Board of Directors of Mphasis Limited

1. We have audited the quarterly consolidated financial results of Mphasis Limited ("the Company") and its subsidiaries (collectively referred to as the 'Mphasis Group') for the quarter ended 30 September 2014 and year to date consolidated financial results for the six months ended 30 September 2014, attached herewith, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These consolidated quarterly and year to date financial results have been prepared from interim condensed consolidated financial statements, which are the responsibility of the Company's management and have been approved by the Board of Directors. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such interim condensed consolidated financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, 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.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. We report that quarterly condensed consolidated financial statements and year to date condensed consolidated financial statements have been prepared by the Mphasis Limited's management in accordance with the requirements of Accounting Standard (AS) 21, condensed consolidated financial statements, 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).
4. In our opinion and to the best of our information and according to the explanations given to us these consolidated quarterly financial results and year to date financial results and :
 - (i) include the quarterly financial results and year to date financial results of the following entities:
 - Mphasis Corporation
 - Mphasis Deutschland GmbH
 - Mphasis Australia Pty Limited
 - Mphasis (Shanghai) Software & Services Company Limited
 - Mphasis Consulting Limited
 - Mphasis Ireland Limited
 - Mphasis Belgium BVBA
 - Mphasis Europe BV
 - Mphasis Pte Limited
 - Mphasis UK Limited
 - Mphasis Software and Services (India) Private Limited



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- Msource Mauritius Inc.
- Msource (India) Private Limited
- Mphasis Lanka (Private) Limited
- Mphasis Poland s.p.z.o.o.
- Mphasis Infrastructure Services Inc.
- PT. Mphasis Indonesia
- Mphasis Wyde Inc.
- Wyde Corporation Inc.
- Mphasis Wyde SASU
- Wyde Solutions Canada Inc.
- Wyde Tunisie SARL
- Mphasis Philippines Inc.
- Digital Risk, LLC
- Digital Risk Valuation Services, LLC
- Investor Services, LLC
- Digital Risk Mortgage Services, LLC
- Digital Risk Analytics, LLC
- Digital Risk Compliance Services, LLC
- Digital Risk Europe, OOD
- Digital Risk Mortgage Services, Corp

(ii) have been presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and

(iii) give a true and fair view of the consolidated net profit and other financial information for the quarter ended 30 September 2014 and for the six months ended 30 September 2014.

5. Further, read with paragraph 1 above, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the consolidated number of shares as well as percentage of shareholdings in respect of aggregate amount of consolidated public shareholdings, as furnished by the Company in terms of clause 35 of the Listing Agreement and found the same to be correct.

6. Emphasis of Matter

Without qualifying our opinion, we draw attention to note 3 to the accompanying consolidated quarterly and year to date financial results regarding non-provision of retention money aggregating to ₹ 1,703 lakhs in view of the proposed sale of business division, more fully described therein.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W



per Adarsh Ranka
Partner

Membership No.: 209567



Place: Amsterdam, Netherlands

Date: 29 October 2014

Auditor's Report on Quarterly Financial Results and Year to Date Financial Results of Mphasis Limited Pursuant to the Clause 41 of the Listing Agreement

To
The Board of Directors of Mphasis Limited

1. We have audited the quarterly financial results of Mphasis Limited ("the Company") for the quarter ended 30 September 2014 and year to date financial results for the six months ended 30 September 2014, attached herewith, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These quarterly and year to date financial results have been prepared from interim condensed financial statements, which are the responsibility of the Company's management and have been approved by the Board of Directors. Our responsibility is to express an opinion on these financial results based on our audit of such interim condensed financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, 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.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results and year to date financial results:
 - (i) have been presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
 - (ii) give a true and fair view of the net profit and other financial information for the quarter ended 30 September 2014 and for the six months ended 30 September 2014.
4. Further, read with paragraph 1 above, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of clause 35 of the Listing Agreement and found the same to be correct.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

5. Emphasis of Matter

Without qualifying our opinion, we draw attention to note 2 to the accompanying quarterly and year to date financial results regarding non-provision of retention money aggregating to ₹ 1,703 lakhs in view of the proposed sale of business division, more fully described therein.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W



per Adarsh Ranka
Partner
Membership No.: 209567



Place: Amsterdam, Netherlands
Date: 29 October 2014

Mphasis reports revenues of ₹ 1,465 crore in Q2 FY15

Significant deal wins in strategic focus areas worth USD 65 million TCV

New York, 29 October 2014

Mphasis today declared its financial results for the second quarter ended 30th September 2014.

Business Update *

- Direct organic business revenues in mature markets recorded a sequential growth of 2.5% in Q2 FY15 or 1.3% net of rupee depreciation
- New deal wins of US\$ 65 million TCV in Q2 FY15; Deal wins of US\$ 110 M TCV in H1 FY15, provides good revenue visibility going forward
- Direct business stood at 64% of consolidated net revenues in Q2 FY15.

Financial Update *

- Consolidated net revenues declined 1.7% QoQ or 2.5% net of rupee depreciation
- Direct channel revenue declined by 2.1% QoQ or 3.3% net of rupee depreciation, impacted by slowdown in the US mortgage industry and one-time revenue reversals in India Government business
- Operating margins stood at 13% impacted by certain one-time revenue reversals and sales expenditure;
- DSO improved by 2 days to 72 days at the end of Q2 FY15 with net operating cash generation of ₹ 1,947 million during the quarter.

“We continue to see good traction in our direct organic business. Our focus on GRC, Digital and AMS is paying off” said Ganesh Ayyar, Chief Executive Officer- Mphasis.

* The Company has changed its financial year from 31st October to 31st March, and in the absence of comparable proforma numbers for the corresponding quarter in the previous year, the financial results for the quarter ended 31st October 2013 have been provided for an indicative comparison.

About Mphasis

Mphasis (an HP Company) enables chosen customers to meet the demands of an evolving market place. Mphasis fuels this by combining superior human capital with cutting edge solutions in hyper-specialized areas. Contact us on www.mphasis.com



Our Social Media Channels

Subscribe to an [RSS Feed](#) of Mphasis Press Releases.

For further information please contact

Corporate Communications Deepa Nagaraj Mphasis Phone: +91 080 4004 1016 Mobile: India +91 98452 56283 /US + 1 646 424 5160 Email : Deepa.Nagaraj@mphasis.com	Investor Relations Shiv Muttou Citigate Dewe Rogerson Mobile : +91 98335 57572 E-mail : shiv@cdr-india.com investor.relations@mphasis.com
--	--