

Chairman's Speech

Good morning Ladies and Gentlemen.

I am delighted to welcome all of you to the twenty fourth Annual General Meeting of your Company. It is great to see so many of you here again today, and so many familiar faces. I take this as a privilege of having the honor to address you in this Annual General Meeting.

I would like to take this opportunity to thank you for your sustained support and presence here today. A lot has transformed in the past few years both within Mphasis and the marketplace outside.

Dividend

You would be happy to know that the Board of Directors has recommended a final dividend of Rs. 16/- per equity share of Rs.10/- each for the financial year ended 31st March 2015, subject to your approval at the Meeting.

Highlights of the year gone by

In the previous AGM, we introduced to you, our refreshed brand identity and promise 'Unleash the Next'. These words might sound simple but they make a dramatic difference. Over the past year, the Board has worked closely with management on the strategic direction of the Company, putting those three simple words into action.

'Unleash the Next'.

We have come to question every aspect of what we do and how we do it.

This, we believe, will help to differentiate us from the rest of the pack. The next phase for IT Services industry is greater specialization. To do this successfully, we need to make the right choices, choices that play to our strengths. And we need excellence in execution.

In other words, your Company need to choose the areas that it wants to serve and invest more in those areas. This also necessitates taking strategic call on areas that are not in line with that direction.

The entire management bandwidth is focused on rapidly growing the Direct International business and improving our revenue per employee metric. We will further intensify our focus in our chosen areas and we are committed to delivering shareholder value. Here are the key strategic growth drivers of your Company:

First, **Grow our Direct International** revenue faster than the market over the next 3 years and here when I say Direct International, this includes every business that we are in outside India and outside HP, which includes Digital Risk, and what we do in banking, capital markets, insurance, infrastructure services, BPO and application services. If you look at Q1 FY 2016, Direct International revenue saw one of the best quarters in terms of growth where revenues grew 10.7% QoQ (7.9% QoQ net of rupee depreciation). This places us strongly to achieve a full year revenue growth that would be above market growth. After recording one of the best years in terms of deal wins in Direct International in FY15, I am pleased to share that your Company has started FY16 on a strong footing, signing significant deals with TCV of US\$ 76 million in Q1 FY16.

Second, **Increase the quality of revenues** and we defined quality of revenues as Governance, Risk & Compliance (GRC), Digital and Next Generation Services to constitute more than 50% of our Direct International revenue. Just to give you a snapshot, of the Total Contract Value of US\$ 76 million deal wins in Q1 FY16, 64% of these wins came in our focused areas of Digital and GRC highlighting our focused approach.

In FY 2014-15, we have focused your Company's efforts towards:

- (i) innovative customer acquisition and engagement strategies,
- (ii) data-driven innovation,
- (iii) disruptive solutions in the payments space,
- (iv) building partner ecosystems,
- (v) GRC frameworks and disruptive innovations from non-conventional internal start-ups.

This is reflected in the launch of Mphasis Digital Customer Experience Management (CEM), that provides omni-channel 'Mobile lead but not Digital Only' customer experience management solution. Mphasis Digital CEM solutions helps maximize customer experience by continuously optimizing processes and technology focused on identifying, anticipating and satisfying customers' needs across all touch points. Mphasis Digital CEM acts as the foundation for continuous business innovation as this leads to greater profitability and increased retention/ loyalty.

Third, **Optimize service segments to conserve leadership** bandwidth and enhance profitability. What it means is we wanted to focus in select areas and deprioritize other areas to ensure that our leadership bandwidth maximizes the return for our customers and our shareholders by improving the profitability.

We have found better homes for select areas that we are not best suited in the future. The transfer of our India Domestic BPO business to Hinduja Global Solutions Limited and Karvy Data Management Services Limited is proof of our excellence in execution. These two agreements are clearly in line with the Company's objective of operating a portfolio aligned with its future direction of becoming a next-generation technology player.

Fourth, ***being known as a path-breaking progressive innovative next-generation company***. This talks about the kind of brand reaction which we want to get from customers which is path-breaking, progressive, innovative, and next-generation company. Your Company has launched a research lab that co-creates with customers called Mphasis Next Labs. This lab is driven by Company's focus areas and aims to emphasize on disruptive world class innovations, thought leadership and industry relevant solutions. The first solution – HyperGraf, was launched recently. HyperGraf is an Omni-channel Digital 360^o solution that provides enterprise decision-makers with comprehensive, accurate and real-time customer engagement insights. HyperGraf analyzes millions of multi-structured data points spread across multiple customer engagement channels.

Corporate Social Responsibility (CSR)

Mphasis has always been committed to CSR and is closely aligned with the organization's mission of being at the confluence of people, profit and planet. Our CSR activities are being carried out through Mphasis F1 Foundation. The CSR Policy of the Company has been formulated and approved by the Board and the execution is monitored by CSR Committee of the Board.

The driving tenets behind formulating our CSR policy are again in line with our brand promise 'Unleash the Next'. In the realm of technology driven community development, Mphasis is specifically focusing on three areas: promoting education via technology-led large scale learning platforms for the under-served; digital education for supplementing financial inclusion aimed at financial literacy; and technology-based solutions for the disadvantaged in the mainstream economy.

Closing comments

Today we are pleased to report that your Company is emerging and working hard to create a brighter future. I want to thank you for the support you have shown this year.

Given the changing digital environment, it's vital that your Board has the right Executive team and the right people with the right skills focusing on the right issues.

We have a diverse mix of talent in the Boardroom and I thank my Board colleagues, Ganesh and executive team, and all our employees for their dedicated and hard work.

Thank you once again for your time and your continued patronage to Mphasis.

Thank you.

Chairman – 24th Annual General Meeting
Davinder Singh Brar