



**Audited Condensed Standalone Financial Statements  
for the quarter and nine months ended 31 December 2017**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of Mphasis Limited

**Report on the Interim Condensed Standalone Ind AS Financial Statements**

We have audited the accompanying interim condensed standalone Ind AS financial statements of Mphasis Limited ("the Company"), which comprise the interim condensed standalone Balance Sheet as at 31 December 2017, the interim condensed standalone Statement of Profit and Loss (including other comprehensive income) for the quarter and nine months then ended, the interim condensed standalone statement of cash flows and the interim condensed standalone Statement of changes in equity for the nine months then ended on that date and a summary of select explanatory notes.

**Management's Responsibility for the Interim Condensed Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible with respect to the preparation of these interim condensed standalone Ind AS financial statements in accordance with the requirements of Indian Accounting Standard (Ind AS) 34, "Interim Financial Reporting" as specified under Section 133 of the Companies Act, 2013 ('Act') read with the relevant rules issued thereunder and other accounting principles generally accepted in India. The Board of Directors are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the interim condensed standalone Ind AS financial statements are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility for Interim Condensed Standalone Ind AS Financial Statements**

Our responsibility is to express an opinion on these interim condensed standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the interim condensed Ind AS standalone financial statements that are not materially misstated in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the interim condensed standalone Ind AS financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the interim condensed standalone Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the accompanying interim condensed standalone Ind AS financial statements have been prepared, in all material respects, in accordance with the requirements of Ind AS 34 specified under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India.

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

per Adarsh Ranka  
Partner  
Membership Number: 209567

Place of Signature: Bengaluru  
Date: 24 January 2018

***Mphasis Limited***  
***Condensed Standalone Financial Statements***

**CONDENSED STANDALONE BALANCE SHEET**

**(₹ millions)**

**31 December 2017**      **31 March 2017**

**ASSETS**

**Non-current assets**

Property, Plant and Equipment	568.87	628.54
Capital work-in-progress	0.26	-
Other intangible assets	124.31	146.60
Intangible assets under development	6.01	2.00

**Financial assets**

Investments	15,425.68	15,425.72
Trade receivables	10.60	31.32
Loans and advances	1,127.16	1,094.73
Other financial assets	0.17	109.32
Deferred tax assets (Net)	385.17	291.44
Income tax assets (Net)	3,535.99	3,540.58
Other non-current assets	1,566.97	1,962.64

**Sub total**      **22,751.19**      **23,232.89**

**Current assets**

**Financial assets**

Investments	9,203.87	14,706.52
Trade receivables	5,368.00	7,075.76
Cash and cash equivalents	1,773.25	2,520.52
Bank balances other than cash and cash equivalents	136.15	-
Loans and advances	1,373.07	1,497.88
Other financial assets	3,168.65	3,011.32
Other current assets	1,665.30	1,707.06

**Sub total**      **22,688.29**      **30,519.06**

**TOTAL ASSETS**      **45,439.48**      **53,751.95**

**Mphasis Limited**  
**Condensed Standalone Financial Statements**

**CONDENSED STANDALONE BALANCE SHEET**

(₹ millions)

**31 December 2017**      **31 March 2017**

**EQUITY AND LIABILITIES**

**Equity**

Equity share capital 1,931.95 2,104.24

**Other equity**

Securities premium 56.68 1,654.10

General reserve 1.09 6,576.85

Retained earnings 33,865.18 35,455.23

Other reserves 1,344.51 1,162.84

**Total equity 37,199.41 46,953.26**

**LIABILITIES**

**Non-current liabilities**

**Financial liabilities**

Other financial liabilities 10.69 10.73

Net employee defined benefit liabilities 456.45 536.05

**Sub total 467.14 546.78**

**Current liabilities**

**Financial liabilities**

Borrowings 1,281.70 -

Trade payables 3,667.26 4,297.74

Other financial liabilities 1,379.69 536.80

Net employee defined benefit liabilities 328.83 435.96

Provisions 109.05 287.09

Other current liabilities 347.63 241.66

Income tax liabilities (Net) 658.77 452.66

**Sub total 7,772.93 6,251.91**

**TOTAL EQUITY AND LIABILITIES 45,439.48 53,751.95**

Explanatory notes annexed.

The explanatory notes form an integral part of these condensed standalone financial statements.

As per our report of even date.

**For S.R. BATLIBOI & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm registration number: 101049W/E300004

**For and on behalf of the Board of Directors**

**per Adarsh Ranka**  
Partner  
Membership No. 209567

**Nitin Rakesh**  
Chief Executive Officer

**Narayanan Kumar**  
Director

**V. Suryanarayanan**  
Executive Vice President &  
Chief Financial Officer

**Subramanian Narayan**  
Vice President & Company Secretary

Bengaluru  
24 January 2018

Bengaluru  
24 January 2018

**Mphasis Limited**  
**Condensed Standalone Financial Statements**

<b>CONDENSED STANDALONE STATEMENT OF PROFIT AND LOSS</b>				<b>(₹ millions)</b>
	<b>Quarter ended 31 December 2017</b>	<b>Quarter ended 31 December 2016</b>	<b>Nine months ended 31 December 2017</b>	<b>Nine months ended 31 December 2016</b>
<b>Income</b>				
Revenue from operations	8,278.70	7,808.90	24,195.59	22,579.85
Other income	229.71	526.79	886.51	1,498.84
<b>Total income (I)</b>	<b>8,508.41</b>	<b>8,335.69</b>	<b>25,082.10</b>	<b>24,078.69</b>
<b>Expenses</b>				
Purchase of stock-in-trade	-	-	-	0.24
Changes in inventories of stock-in-trade	-	-	-	40.99
Employee benefits expense	3,427.01	3,362.01	10,334.65	10,166.59
Finance costs	8.60	5.28	29.80	22.33
Depreciation and amortization expense	80.04	66.03	238.78	192.93
Other expenses	2,639.91	2,473.21	7,626.41	7,476.78
<b>Total expenses (II)</b>	<b>6,155.56</b>	<b>5,906.53</b>	<b>18,229.64</b>	<b>17,899.86</b>
<b>Profit before tax and exceptional item (III) [(I)-(II)]</b>	<b>2,352.85</b>	<b>2,429.16</b>	<b>6,852.46</b>	<b>6,178.83</b>
<b>Exceptional item (net of tax) (IV)</b>				
Accelerated cost due to change in control (refer note 6)	-	-	-	39.77
<b>Profit before tax and after exceptional item (III)-(IV)</b>	<b>2,352.85</b>	<b>2,429.16</b>	<b>6,852.46</b>	<b>6,139.06</b>
<b>Tax expenses</b>				
Current tax	556.25	612.48	1,688.09	1,555.91
Deferred tax	(36.00)	50.59	(42.94)	(2.52)
<b>Total tax expenses</b>	<b>520.25</b>	<b>663.07</b>	<b>1,645.15</b>	<b>1,553.39</b>
<b>Profit for the period before exceptional item</b>	<b>1,832.60</b>	<b>1,766.09</b>	<b>5,207.31</b>	<b>4,625.44</b>
<b>Profit for the period after exceptional item (A)</b>	<b>1,832.60</b>	<b>1,766.09</b>	<b>5,207.31</b>	<b>4,585.67</b>
<b>Other comprehensive income ('OCI')</b>				
<b>OCI to be reclassified to profit or loss in subsequent periods</b>				
Net change in fair value of derivatives designated as cash flow hedges	579.90	(91.81)	(121.50)	137.77
Income tax effect on the above	(200.69)	31.76	42.05	(47.68)
<b>Net OCI to be reclassified to profit or loss in subsequent periods (B)</b>	<b>379.21</b>	<b>(60.05)</b>	<b>(79.45)</b>	<b>90.09</b>
<b>OCI not to be reclassified to profit or loss in subsequent periods</b>				
Re-measurement gains / (losses) on defined benefit plans	3.40	0.16	(25.27)	(0.25)
Income tax effect on the above	(1.17)	(0.05)	8.75	0.09
<b>Net OCI not to be reclassified to profit or loss in subsequent periods (C)</b>	<b>2.23</b>	<b>0.11</b>	<b>(16.52)</b>	<b>(0.16)</b>
<b>Total OCI for the period, net of tax (D) [B+C]</b>	<b>381.44</b>	<b>(59.94)</b>	<b>(95.97)</b>	<b>89.93</b>
<b>Total comprehensive income for the period (A+D)</b>	<b>2,214.04</b>	<b>1,706.15</b>	<b>5,111.34</b>	<b>4,675.60</b>

**Mphasis Limited**  
**Condensed Standalone Financial Statements**

<b>CONDENSED STANDALONE STATEMENT OF PROFIT AND LOSS</b>					<b>(₹ millions)</b>
	<b>Quarter ended 31 December 2017</b>	<b>Quarter ended 31 December 2016</b>	<b>Nine months ended 31 December 2017</b>	<b>Nine months ended 31 December 2016</b>	
<b>Earnings per equity share before exceptional item (par value ₹ 10 per share)</b>					
Basic (₹)	9.49	8.41	26.39	22.03	
Diluted (₹)	9.45	8.38	26.33	21.97	
<b>Earnings per equity share after exceptional item (par value ₹ 10 per share)</b>					
Basic (₹)	9.49	8.41	26.39	21.84	
Diluted (₹)	9.45	8.38	26.33	21.78	
Weighted average number of shares – Basic	193,175,440	210,090,627	197,349,087	209,947,842	
Weighted average number of shares – Diluted	193,963,693	210,632,746	197,764,377	210,509,397	

Explanatory notes annexed.

The explanatory notes form an integral part of these condensed standalone financial statements.

As per our report of even date.

**For S.R. BATLIBOI & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm registration number: 101049W/E300004

**For and on behalf of the Board of Directors**

**per Adarsh Ranka**  
*Partner*  
Membership No. 209567

**Nitin Rakesh**  
*Chief Executive Officer*

**Narayanan Kumar**  
*Director*

**V. Suryanarayanan**  
*Executive Vice President &  
Chief Financial Officer*

**Subramanian Narayan**  
*Vice President & Company Secretary*

Bengaluru  
24 January 2018

Bengaluru  
24 January 2018

**Mphasis Limited**  
**Condensed Standalone Financial Statements**

**CONDENSED STANDALONE STATEMENT OF CHANGES IN EQUITY**

**a. Equity share capital**

Equity shares of ₹ 10 each issued, subscribed and fully paid	No. in millions	₹ millions
<b>As at 1 April 2017</b>	210.42	2,104.24
Issue of share capital	0.14	1.41
Equity shares extinguished on buy back (refer note 5)	(17.37)	(173.70)
<b>As at 31 December 2017</b>	<b>193.19</b>	<b>1,931.95</b>
<b>As at 1 April 2016</b>	210.19	2,101.94
Issue of share capital	0.20	1.97
<b>As at 31 December 2016</b>	<b>210.39</b>	<b>2,103.91</b>

**b. Other equity**

(₹ millions)

	Attributable to the equity holders of the Company							Items of OCI	
	Reserves and surplus							Hedging reserve	Total
	Securities Premium	General reserve	Retained earnings	Capital reserve	Capital redemption reserve	Share based payments	Treasury shares		
<b>As at 1 April 2017</b>	<b>1,654.10</b>	<b>6,576.85</b>	<b>35,455.23</b>	<b>265.16</b>	-	<b>190.47</b>	<b>(0.45)</b>	<b>707.66</b>	<b>44,849.02</b>
Profit for the period	-	-	5,207.31	-	-	-	-	-	5,207.31
Other Comprehensive Income	-	-	(16.52)	-	-	-	-	(79.45)	(95.97)
Equity dividend and Dividend Distribution Tax	-	-	(3,951.45)	-	-	-	-	-	(3,951.45)
Buy back of equity shares (refer note 5)	(1,654.10)	(6,576.85)	(2,799.05)	-	173.70	-	-	-	(10,856.30)
Buy back expenses	-	-	(30.34)	-	-	-	-	-	(30.34)
General Reserve	-	1.09	-	-	-	-	-	-	1.09
Effect of share based payments	56.68	-	-	-	-	86.97	0.45	-	144.10
<b>As at 31 December 2017</b>	<b>56.68</b>	<b>1.09</b>	<b>33865.18</b>	<b>265.16</b>	<b>173.70</b>	<b>277.44</b>	-	<b>628.21</b>	<b>35,267.46</b>
<b>As at 1 April 2016</b>	<b>1,572.36</b>	<b>5,946.19</b>	<b>34,910.97</b>	<b>265.16</b>	-	<b>170.43</b>	<b>(158.29)</b>	<b>231.76</b>	<b>42,938.58</b>
Profit for the period	-	-	4,585.67	-	-	-	-	-	4,585.67
Other Comprehensive Income	-	-	(0.16)	-	-	-	-	90.09	89.93
Equity dividend and Dividend Distribution Tax	-	-	(5,058.70)	-	-	-	-	-	(5,058.70)
Effect of share based payments	70.23	2.91	-	-	-	68.51	59.49	-	201.14
<b>As at 31 December 2016</b>	<b>1,642.59</b>	<b>5,949.10</b>	<b>34,437.78</b>	<b>265.16</b>	-	<b>238.94</b>	<b>(98.80)</b>	<b>321.85</b>	<b>42,756.62</b>

Explanatory notes annexed.

The explanatory notes form an integral part of these condensed standalone financial statements.

As per our report of even date.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

**For and on behalf of the Board of Directors**

**per Adarsh Ranka**

Partner

Membership No. 209567

**Nitin Rakesh**

Chief Executive Officer

**Narayanan Kumar**

Director

**V. Suryanarayanan**

Executive Vice President &

Chief Financial Officer

**Subramanian Narayan**

Vice President & Company Secretary

Bengaluru  
24 January 2018

Bengaluru  
24 January 2018

**Mphasis Limited**  
**Condensed Standalone Financial Statements**

**CONDENSED STANDALONE STATEMENT OF CASH FLOWS**

(₹ millions)

	Nine months ended 31 December 2017	Nine months ended 31 December 2016
<b>Operating activities</b>		
<b>Profit before exceptional item and tax</b>	<b>6,852.46</b>	<b>6,178.83</b>
<b>Adjustment to reconcile profit before tax to net cash flows:</b>		
Depreciation of Property, Plant and Equipment	184.99	158.53
Amortisation of intangible assets	53.85	34.51
Amortisation of rent equalisation	419.05	349.63
Profit on sale of Property, Plant and Equipment	(6.15)	(17.89)
Net gain on investments	(545.55)	(790.90)
Amortised cost of deposits	(4.34)	(0.21)
Share-based payment expense	66.38	7.54
Provision for bad and doubtful debts	(20.24)	-
Interest expense (excluding exchange difference considered as adjustment to borrowing cost)	14.06	19.67
Interest income (excluding fair value changes)	(97.79)	(250.48)
Dividend income	-	(135.04)
Receipts on exercise of options	-	32.00
Effect of exchange rate changes (gain) / loss	(0.95)	41.25
<b>Operating profit before working capital changes</b>	<b>6,915.77</b>	<b>5,627.44</b>
<b>Working capital changes</b>		
(Increase) / decrease in trade receivables	1,748.72	(1,838.89)
(Increase) / decrease in loans and advances	231.96	335.24
(Increase) / decrease in other financial assets	(210.60)	346.87
(Increase) / decrease in inventories	-	40.99
(Increase) / decrease in other assets	(38.17)	354.12
Increase / (decrease) in trade payables	(630.48)	1,229.68
Increase / (decrease) in other financial liabilities	825.98	73.32
Increase / (decrease) in provisions and Net employee defined benefit liabilities	(390.04)	(377.53)
Increase / (decrease) in other liabilities	105.97	(2.08)
<b>Total working capital changes</b>	<b>1,643.34</b>	<b>161.72</b>
Income tax paid (net of refunds)	(1,477.38)	(1,093.35)
<b>Net cash flow from operating activities before exceptional item</b>	<b>7,081.73</b>	<b>4,695.81</b>
Accelerated cost due to change in control	-	(13.95)
<b>Net cash flow from operating activities after exceptional item (A)</b>	<b>7,081.73</b>	<b>4,681.86</b>
<b>Investing activities</b>		
Purchase of Property, Plant and Equipment	(160.18)	(435.36)
Proceeds from sale of Property, Plant and Equipment	10.24	14.04
Purchase of investments	(27,818.00)	(169,329.25)
Sale of investments	33,866.20	167,438.88
Interest received	38.96	158.67
Dividends received	-	135.04
Re-investment of dividend	-	(99.45)
Investments in bank deposits	(27.00)	(74.79)
Redemption / maturity of bank deposits	-	2,655.00
<b>Net cash flow from investing activities (B)</b>	<b>5,910.22</b>	<b>462.78</b>



**Mphasis Limited**  
**Condensed Standalone Financial Statements**

<b>CONDENSED STANDALONE STATEMENT OF CASH FLOWS</b>	<b>(₹ millions)</b>	
	<b>Nine months ended 31 December 2017</b>	<b>Nine months ended 31 December 2016</b>
<b>Financing activities</b>		
Proceeds from issue of share capital	1.41	1.97
Proceeds of premium from issue of share capital	0.24	0.17
Payment towards buy back of shares	(11,030.00)	-
Buy back expenses paid	(30.34)	-
Repayment of unsecured loans	(1,296.50)	(1,363.10)
Availment of unsecured loans	2,579.15	881.66
Interest paid	(14.06)	(19.67)
Dividends paid (including tax on dividend)	(3,949.12)	(5,056.43)
<b>Net cash flow used in financing activities (C)</b>	<b>(13,739.22)</b>	<b>(5,555.40)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(747.27)</b>	<b>(410.76)</b>
Cash and cash equivalents at the beginning of the period	2,520.52	1,321.15
<b>Cash and cash equivalents at the end of the period</b>	<b>1,773.25</b>	<b>910.39</b>
<b>Components of cash and cash equivalents</b>		
On current accounts	705.17	210.23
Deposits with original maturity of less than 3 months	1,054.24	690.18
Unclaimed dividend	13.84	9.98
<b>Total cash and cash equivalents</b>	<b>1,773.25</b>	<b>910.39</b>

As per our report of even date.

**For S.R. BATLIBOI & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm registration number: 101049W/E300004

**For and on behalf of the Board of Directors**

**per Adarsh Ranka**  
Partner  
Membership No. 209567

**Nitin Rakesh**  
Chief Executive Officer

**Narayanan Kumar**  
Director

**V. Suryanarayanan**  
Executive Vice President &  
Chief Financial Officer

**Subramanian Narayan**  
Vice President & Company Secretary

Bengaluru  
24 January 2018

Bengaluru  
24 January 2018

**Mphasis Limited**  
**Condensed Standalone Financial Statements**

**EXPLANATORY NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS**

**1. Corporate information**

The interim condensed standalone financial statements comprise financial statements of Mphasis Limited, its branch and controlled employee benefit trusts. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The shares of the Company are listed on two recognised stock exchanges in India. The registered office of the Company is located in Bengaluru, India.

Mphasis Limited, a global, multicultural organisation headquartered in Bengaluru, India, specialises in providing a suite of application development and maintenance services, infrastructure outsourcing services and business & knowledge process outsourcing solutions to clients around the world.

The condensed standalone financial statements for the quarter and nine months ended 31 December 2017 are approved by the Board of Directors on 24 January 2018.

Mphasis Limited is the sponsoring entity of Employee Stock Option Plan ('ESOP') trusts. Management of the Company can appoint and remove the trustees and provide funding to the trust for buying the shares. Basis assessment by the management, it believes that the ESOP trusts are designed to be controlled by the Company.

**List of Trusts that are consolidated**

- Mphasis Employee Benefit Trust.
- Mphasis Employees Equity Reward Trust.

**2. Basis of preparation**

The accompanying interim condensed standalone financial statements of Mphasis Limited ('the Company'), has been prepared in accordance with the Indian Accounting Standards ("Ind AS") 34, Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) amendment Rules, 2016. The interim condensed standalone financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company has followed the same accounting policies in preparation of the interim condensed standalone financial statements as those followed in preparation of the annual standalone financial statements as at and for the year ended 31 March 2017. These interim condensed standalone financial statements should be read in conjunction with the audited standalone Ind AS financial statements and the related notes for the year ended 31 March 2017.

**3. Financial instruments**

The carrying value of financial instruments by categories as of 31 December 2017 is as follows:

(₹ millions)

Particulars	Fair value through profit or loss	Derivative instruments in Hedging relationship	Derivative instruments not in Hedging relationship	Amortised Cost	Total
<b>Financial assets</b>					
Cash and cash equivalents	-	-	-	1,773.25	1,773.25
Bank balances other than cash and cash equivalents	-	-	-	136.15	136.15
Investment (other than investment in subsidiaries)	9,203.87	-	-	1,255.17	10,459.04
Trade receivables	-	-	-	5,378.60	5,378.60
Loans and advances	-	-	-	2,500.23	2,500.23
Forward cover	-	-	47.63	-	47.63
Cash flow hedges	-	970.37	-	-	970.37
Other financial assets	-	-	-	2,150.82	2,150.82
<b>Total</b>	<b>9,203.87</b>	<b>970.37</b>	<b>47.63</b>	<b>13,194.22</b>	<b>23,416.09</b>
<b>Financial liabilities</b>					
Borrowings	-	-	-	1,281.70	1,281.70
Trade payables	-	-	-	3,667.26	3,667.26
Forward cover	-	-	26.75	-	26.75
Cash flow hedges	-	9.69	-	-	9.69
Other financial liabilities	-	-	-	1,353.94	1,353.94
<b>Total</b>	<b>-</b>	<b>9.69</b>	<b>26.75</b>	<b>6,302.90</b>	<b>6,339.34</b>

**Mphasis Limited**  
**Condensed Standalone Financial Statements**

The carrying value of financial instruments by categories as of 31 March 2017 is as follows: (₹ millions)

Particulars	Fair value through profit or loss	Derivative instruments in Hedging relationship	Derivative instruments not in Hedging relationship	Amortised Cost	Total
<b>Financial assets</b>					
Cash and cash equivalents	-	-	-	2,520.52	2,520.52
Bank balances other than cash and cash equivalents	-	-	-	-	-
Investment (other than investment in Subsidiaries)	14,706.52	-	-	1,255.17	15,961.69
Trade receivables	-	-	-	7,107.08	7,107.08
Loans and advances	-	-	-	2,592.61	2,592.61
Forward cover	-	-	168.94	-	168.94
Cash flow hedges	-	1,082.46	-	-	1,082.46
Other financial assets	-	-	-	1,869.24	1,869.24
<b>Total</b>	<b>14,706.52</b>	<b>1,082.46</b>	<b>168.94</b>	<b>15,344.62</b>	<b>31,302.54</b>
<b>Financial liabilities</b>					
Trade payables	-	-	-	4,297.74	4,297.74
Forward cover	-	-	1.33	-	1.33
Cash flow hedges	-	0.29	-	-	0.29
Other financial liabilities	-	-	-	545.91	545.91
<b>Total</b>	<b>-</b>	<b>0.29</b>	<b>1.33</b>	<b>4,843.65</b>	<b>4,845.27</b>

**Fair value hierarchy:**

Particulars	As at 31 December 2017				As at 31 March 2017			
	Fair value measurements at reporting date using				Fair value measurements at reporting date using			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
<b>Assets</b>								
Investment (other than investment in Subsidiaries)	9,203.87	9,203.87	-	-	14,706.52	14,706.52	-	-
Derivative instruments								
Cash flow hedges*	970.37	-	970.37	-	1,082.46	-	1,082.46	-
Forward cover	47.63	-	47.63	-	168.94	-	168.94	-
<b>Liabilities</b>								
Derivative instruments								
Cash flow hedges*	9.69	-	9.69	-	0.29	-	0.29	-
Forward cover	26.75	-	26.75	-	1.33	-	1.33	-

\* Cash flow hedges are routed through FVTOCI and the rest are routed through FVTPL.

- The management had re-assessed the future profitability of long term revenue contract as at 31 March 2016 and accordingly provided for ₹ 483.66 millions. The losses incurred subsequently under this contract has been adjusted against the said provision and the balance as at 31 December 2017 is ₹ 28.02 millions (31 March 2017: ₹ 204.06 millions).
- During the quarter ended 30 June 2017, the Company has completed the buyback of 17,370,078 fully paid-up equity shares of face value of ₹ 10 each ("equity shares") on 2 June 2017, representing 8.26% of the total paid-up equity share capital of the Company, at a price of ₹ 635 per equity share for an aggregate amount of up to ₹ 11,030.00 millions. The shares accepted by the Company under the buyback has been extinguished on 7 June 2017 and the paid-up equity share capital of the Company has been reduced to that extent. Subsequent to completion of buyback, the Company has transferred ₹ 173.70 millions to Capital Redemption Reserve representing face value of equity shares bought back.
- During the quarter ended 30 September 2016, the transfer of control from Hewlett Packard Enterprise Company to Blackstone group has resulted in accelerated vesting of unvested employee stock options and employee bonus. Accordingly the Company has provided for deferred employee compensation cost on an accelerated basis over the remaining vesting period amounting to ₹ 39.77 millions (net of tax of ₹ 21.45 millions) and had accounted the same as exceptional item.
- The Board of Directors, in its meeting held on 25 May 2017 had proposed the final dividend of ₹ 17 per share for the year ended 31 March 2017. The dividend proposed by the Board of Directors is approved by the shareholders' in the Annual General meeting held on 26 July 2017. During the quarter ended 30 September 2017, the Company has accounted the same in accordance with Ind AS -10.

**Mphasis Limited**  
**Condensed Standalone Financial Statements**

**8. Contingent liabilities**

The Company has received assessment orders for the financial years ended 31 March 2005, 31 March 2007, 31 March 2008, 31 March 2009, 31 March 2010, 31 March 2011, 31 March 2012, 31 March 2013 and 31 March 2014 wherein certain adjustments in respect of transfer pricing under Section 92CA of the Income Tax Act, 1961 have been made to the taxable income and demand orders for ₹ 3,266.24 millions (31 March 2017: ₹ 2,080.46 millions) have been raised on the Company. The above demands are disputed by the management and the Company has filed appeals against the aforesaid orders with appellate authorities. The management is of the view that the prices determined by it are at arm's length and is confident that the demands raised by the assessing officer are not tenable under law. Pending outcome of the aforesaid matters under litigation, no provision has been made in the books of account for the above mentioned tax demands.

Other claims against the Company (majorly Income tax and indirect tax) not acknowledged as debts amount to ₹ 7,137.15 millions (31 March 2017: ₹ 7,057.33 millions) net of bank guarantees aggregating to ₹ 6,661.95 millions (31 March 2017: ₹ 6,661.95 millions). The management, basis internal evaluation and legal opinion is of the view that these demands are not tenable.

Other outstanding bank guarantees as at 31 December 2017: ₹ 642.47 millions (31 March 2017: ₹ 688.31 millions); including those furnished on account of jointly controlled operations ₹ 99.35 millions (31 March 2017: ₹ 99.35 millions) and customs authorities aggregating to ₹ 52.57 millions (31 March 2017: ₹ 52.57 millions).

The Company has received claims from certain customers / vendors. Management is of the view that these claims are not tenable and is taking appropriate action in this regard. It is not practical for the Company to estimate the amounts.

The Company has issued performance guarantees on behalf of its subsidiaries for any future liabilities which may arise out of contracts and to certain clients for executed contracts. It is not practical for the Company to estimate the amounts.

**9. Segment reporting**

Operating segments are defined as components of the Company for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Chief Executive Officer.

The Company has identified business segments (industry practice) as reportable segments. The business segments comprise: Banking and Capital Market, Insurance, Information Technology, Communication and Entertainment and Emerging Industries.

The accounting policies consistently used in the preparation of the financial statements are also applied to record revenue and expenditure in individual segments. Assets, liabilities, revenues and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while other items, wherever allocable, are apportioned to the segments on an appropriate basis. Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably. The Company therefore believes that it is not practical to provide segment disclosures relating to such items, and accordingly such items are separately disclosed as 'unallocated'.

<b>Business segments</b>	<b>(₹ millions)</b>			
	<b>Quarter ended 31 December 2017</b>	<b>Quarter ended 31 December 2016</b>	<b>Nine months ended 31 December 2017</b>	<b>Nine months ended 31 December 2016</b>
<b>Segment revenue</b>				
Banking and Capital Market	3,054.00	2,599.27	8,749.66	7,558.88
Insurance	1,674.11	1,867.61	5,046.67	5,440.50
Information Technology, Communication and Entertainment	1,016.88	986.18	2,985.20	2,859.64
Emerging Industries	2,161.25	2,161.51	6,218.12	6,290.04
Unallocated - Hedge	372.46	194.33	1,195.94	430.79
<b>Total segment revenue</b>	<b>8,278.70</b>	<b>7,808.90</b>	<b>24,195.59</b>	<b>22,579.85</b>
<b>Segment result *</b>				
Banking and Capital Market	705.37	533.61	1,867.45	1,359.97
Insurance	453.15	614.13	1,347.31	1,585.10
Information Technology, Communication and Entertainment	351.36	347.68	952.96	864.50
Emerging Industries	817.21	830.15	2,234.71	2,319.05
Unallocated - Hedge	372.46	194.33	1,195.94	430.79
<b>Total segment result</b>	<b>2,699.55</b>	<b>2,519.90</b>	<b>7,598.37</b>	<b>6,559.41</b>
Interest income	46.17	68.13	158.76	309.12
Finance costs	(8.60)	(5.28)	(29.80)	(22.33)
Other income	183.54	458.66	727.75	1,189.72
Other unallocable expenditure	(567.81)	(612.25)	(1,602.62)	(1,896.86)
<b>Profit before taxation</b>	<b>2,352.85</b>	<b>2,429.16</b>	<b>6,852.46</b>	<b>6,139.06</b>
Income taxes	520.25	663.07	1,645.15	1,553.39
<b>Profit after taxation</b>	<b>1,832.60</b>	<b>1,766.09</b>	<b>5,207.31</b>	<b>4,585.67</b>

\* includes exceptional item.

***Mphasis Limited***  
***Condensed Standalone Financial Statements***

	(₹ millions)	
	31 December 2017	31 March 2017
<b>Segment assets</b>		
Banking and Capital Market	5,816.34	6,770.70
Insurance	1,935.06	2,375.43
Information Technology, Communication and Entertainment	1,096.83	1,528.72
Emerging Industries	2,968.85	3,705.65
<b>Total segment assets</b>	<b>11,817.08</b>	<b>14,380.50</b>
Unallocated assets	33,622.40	39,371.45
<b>Total assets</b>	<b>45,439.48</b>	<b>53,751.95</b>
<b>Segment liabilities</b>		
Banking and Capital Market	2,361.09	2,259.45
Insurance	1,403.19	2,142.55
Information Technology, Communication and Entertainment	825.85	683.37
Emerging Industries	1,593.37	1,201.16
<b>Total segment liabilities</b>	<b>6,183.50</b>	<b>6,286.53</b>
Unallocated liabilities	2,056.57	512.16
<b>Total liabilities</b>	<b>8,240.07</b>	<b>6,798.69</b>
<b>Capital employed</b>		
Banking and Capital Market	3,455.25	4,511.25
Insurance	531.87	232.88
Information Technology, Communication and Entertainment	270.98	845.35
Emerging Industries	1,375.48	2,504.49
Unallocated	31,565.83	38,859.29
<b>Total capital employed</b>	<b>37,199.41</b>	<b>46,953.26</b>

10. Previous period's figures have been reclassified to confirm with the current period's classification, wherever applicable.

As per our report of even date.

**For S.R. BATLIBOI & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm registration number: 101049W/E300004

**For and on behalf of the Board of Directors**

**per Adarsh Ranka**  
Partner  
Membership No. 209567

**Nitin Rakesh**  
Chief Executive Officer

**Narayanan Kumar**  
Director

**V. Suryanarayanan**  
Executive Vice President &  
Chief Financial Officer

**Subramanian Narayan**  
Vice President & Company Secretary

Bengaluru  
24 January 2018

Bengaluru  
24 January 2018