

Statement of Consolidated Audited Financial Results for the quarter and nine months ended 31 December 2018

Particulars	Quarter ended			Nine months ended		Year ended
	31 December 2018	30 September 2018	31 December 2017	31 December 2018	31 December 2017	31 March 2018
	Audited	Audited	(refer note 7) Audited	Audited	(refer note 7) Audited	(refer note 7) Audited
Revenue from operations	19,709.57	19,148.41	16,606.91	57,060.21	48,013.48	65,458.36
Other income	506.34	475.89	353.62	1,434.97	1,198.32	1,620.96
<b>Total income (I)</b>	<b>20,215.91</b>	<b>19,624.30</b>	<b>16,960.53</b>	<b>58,495.18</b>	<b>49,211.80</b>	<b>67,079.32</b>
<b>Expenses</b>						
Employee benefits expense	10,885.82	10,603.86	9,634.42	31,863.54	28,056.74	38,179.27
Finance costs	34.54	35.09	28.81	114.52	86.81	129.96
Depreciation and amortization expense	196.15	183.68	175.55	558.87	537.14	708.21
Other expenses	5,518.13	5,215.50	4,231.01	15,361.79	12,427.71	16,655.36
<b>Total expenses (II)</b>	<b>16,634.64</b>	<b>16,038.13</b>	<b>14,069.79</b>	<b>47,898.72</b>	<b>41,108.40</b>	<b>55,672.80</b>
<b>Profit before exceptional item and tax (III) [(I)-(II)]</b>	<b>3,581.27</b>	<b>3,586.17</b>	<b>2,890.74</b>	<b>10,596.46</b>	<b>8,103.40</b>	<b>11,406.52</b>
Exceptional item (net of tax) (IV)	-	-	-	-	-	130.78
<b>Profit before tax (III)-(IV)</b>	<b>3,581.27</b>	<b>3,586.17</b>	<b>2,890.74</b>	<b>10,596.46</b>	<b>8,103.40</b>	<b>11,275.74</b>
<b>Tax expenses</b>						
Current tax	770.34	916.69	750.37	2,399.46	2,156.92	3,159.48
Deferred tax	31.20	(39.77)	(9.07)	124.92	(51.79)	(258.73)
<b>Total tax expenses</b>	<b>801.54</b>	<b>876.92</b>	<b>741.30</b>	<b>2,524.38</b>	<b>2,105.13</b>	<b>2,900.75</b>
<b>Profit before exceptional item</b>	<b>2,779.73</b>	<b>2,709.25</b>	<b>2,149.44</b>	<b>8,072.08</b>	<b>5,998.27</b>	<b>8,505.77</b>
<b>Profit after exceptional item (A)</b>	<b>2,779.73</b>	<b>2,709.25</b>	<b>2,149.44</b>	<b>8,072.08</b>	<b>5,998.27</b>	<b>8,374.99</b>
<b>Other comprehensive income / (losses) ('OCI')</b>						
<b>Items to be reclassified to profit or loss in subsequent periods</b>						
Exchange differences on translation of financial statements of foreign operations	(1,041.70)	1,246.50	(447.30)	1,171.28	(149.04)	249.18
Net change in fair value of derivatives designated as cash flow hedges	2,839.33	(1,831.06)	608.98	(674.13)	(182.06)	(800.62)
Income tax effect on the above	(992.17)	639.84	(210.75)	235.57	63.01	275.85
<b>Items not to be reclassified to profit or loss in subsequent periods</b>						
Re-measurement gains / (losses) on defined employee benefit plans	(18.48)	28.93	6.66	31.52	(23.75)	(33.90)
Income tax effect on the above	6.32	(10.04)	(2.30)	(11.13)	8.23	12.35
<b>Total OCI, net of tax (B)</b>	<b>793.30</b>	<b>74.17</b>	<b>(44.71)</b>	<b>753.11</b>	<b>(283.61)</b>	<b>(297.14)</b>
<b>Total comprehensive income (A+B)</b>	<b>3,573.03</b>	<b>2,783.42</b>	<b>2,104.73</b>	<b>8,825.19</b>	<b>5,714.66</b>	<b>8,077.85</b>
<b>Profit attributable to:</b>						
Equity owners of the Company	2,779.73	2,709.25	2,149.44	8,072.08	5,998.27	8,374.99
Non-controlling interests	-	-	-	-	-	-
<b>Total comprehensive income attributable to:</b>	<b>2,779.73</b>	<b>2,709.25</b>	<b>2,149.44</b>	<b>8,072.08</b>	<b>5,998.27</b>	<b>8,374.99</b>
Equity owners of the Company	3,573.03	2,783.42	2,104.73	8,825.19	5,714.66	8,077.85
Non-controlling interests	-	-	-	-	-	-
Equity share capital	1,861.04	1,934.24	1,931.95	1,861.04	1,931.95	1,932.67
Other equity	47,410.46	53,651.96	50,441.58	47,410.46	50,441.58	52,885.15
<b>Earnings per equity share before exceptional item (par value ₹ 10 per share)</b>						
Basic (₹)	14.40	14.01	11.13	41.77	30.39	43.32
Diluted (₹)	14.26	13.85	11.08	41.33	30.33	43.26
<b>Earnings per equity share after exceptional item (par value ₹ 10 per share)</b>						
Basic (₹)	14.40	14.01	11.13	41.77	30.39	42.66
Diluted (₹)	14.26	13.85	11.08	41.33	30.33	42.59

**Segment reporting**  
Operating segments are defined as components of the Group 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 Group's Chief Operating Decision Maker ("CODM") is the Chief Executive Officer.

The Group has identified business segments as reportable segments. The business segments identified are: Banking and Capital Market, Insurance, Information Technology, Communication and Entertainment and Emerging Industries.

CODM does not review assets and liabilities at reportable segments level, hence segment disclosures relating to total assets and liabilities have not been provided.

	Quarter ended			Nine months ended		Year ended
	31 December 2018	30 September 2018	31 December 2017 (refer note 7)	31 December 2018	31 December 2017 (refer note 7)	31 March 2018 (refer note 7)
<b>Segment revenue</b>						
Banking and Capital Market	8,824.86	8,964.24	7,731.86	26,357.84	22,636.52	30,685.00
Insurance	2,368.86	2,199.27	2,079.30	6,620.07	6,112.12	8,096.16
Information Technology, Communication and Entertainment	3,370.01	3,315.59	2,333.44	9,824.99	6,394.78	9,277.76
Emerging Industries	5,464.25	4,999.70	4,072.08	14,922.14	11,599.39	15,716.42
Unallocated - Hedge	(318.41)	(330.39)	390.23	(664.83)	1,270.67	1,683.02
<b>Total segment revenue</b>	<b>19,709.57</b>	<b>19,148.41</b>	<b>16,606.91</b>	<b>57,060.21</b>	<b>48,013.48</b>	<b>65,458.36</b>
<b>Segment result</b>						
Banking and Capital Market	2,270.53	2,531.84	1,775.95	7,109.75	5,273.83	7,306.15
Insurance	692.51	586.46	540.70	1,790.14	1,435.63	1,916.40
Information Technology, Communication and Entertainment	871.66	799.75	485.89	2,480.87	1,218.30	1,859.16
Emerging Industries	1,813.27	1,608.79	1,242.76	4,908.82	3,543.75	4,800.33
Unallocated - Hedge	(318.41)	(330.39)	390.23	(664.83)	1,270.67	1,683.02
<b>Total segment result</b>	<b>5,329.56</b>	<b>5,196.45</b>	<b>4,435.53</b>	<b>15,624.75</b>	<b>12,742.18</b>	<b>17,565.06</b>
Interest income	107.50	66.66	64.50	258.45	197.37	278.78
Finance costs	(34.54)	(35.09)	(28.81)	(114.52)	(86.81)	(129.96)
Other unallocable expenditure, net of unallocable income	(1,821.25)	(1,641.85)	(1,580.48)	(5,172.22)	(4,749.34)	(6,307.36)
Exceptional item (net of tax)	-	-	-	-	-	(130.78)
<b>Profit before taxation</b>	<b>3,581.27</b>	<b>3,586.17</b>	<b>2,890.74</b>	<b>10,596.46</b>	<b>8,103.40</b>	<b>11,275.74</b>

**Notes:**

- The financial results have 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 Companies (Indian Accounting Standards) Rules, as amended from time to time. These results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 24 January 2019. The statutory auditors have expressed an unmodified audit opinion on these results.
- Audited Financial Results of Mphasis Limited (Standalone Information).

Particulars	Quarter ended			Nine months ended		Year ended
	31 December 2018	30 September 2018	31 December 2017 (refer note 7)	31 December 2018	31 December 2017 (refer note 7)	31 March 2018 (refer note 7)
Revenue from operations	8,622.95	8,524.20	8,278.70	25,392.52	24,195.59	32,748.71
Profit before tax and exceptional item	2,576.69	2,466.94	2,352.85	7,288.12	6,852.46	9,435.52
Profit after tax and exceptional item	2,190.52	1,889.39	1,832.60	5,786.97	5,207.31	7,398.91

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 condensed standalone interim financial statements as stated.

- The Board of Directors, in its meeting held on 10 May 2018 had proposed the final dividend of ₹ 20 per share for the year ended 31 March 2018. The dividend proposed by the Board of Directors has been approved by the shareholders in the Annual General meeting held on 7 August 2018.
- With effect from 1 April 2018, Mphasis Group ("Group") adopted Ind AS 115 - Revenue from contracts with customers and has transitioned using the cumulative effect method. The standard has been applied retrospectively only to contracts that were ongoing on the date of initial application and the comparative information is not restated in the financial results. The adoption of the standard did not have a material impact on the financial statements of the Group.
- During the quarter ended 31 December 2018, the Company has completed the buyback of 7,320,555 fully paid-up equity shares of face value ₹ 10 each ("equity shares"), representing 3.79% of the total paid-up equity share capital of the Company, at a price of ₹ 1,350 per equity share for an aggregate consideration of ₹ 9,882.75. In line with the requirement of the Companies Act, 2013, an amount of ₹ 176.59, ₹ 743.89 and ₹ 8,962.26 has been utilized from securities premium, general reserve and retained earnings respectively. The shares accepted under the buyback have been extinguished on 28 December 2018 and the paid-up equity share capital of the Company has been reduced to that extent. Subsequent to completion of the buyback, the Company has transferred ₹ 73.20 to the Capital Redemption Reserve representing face value of equity shares bought back.
- On 8 November 2018, the Company through its wholly owned subsidiary, Mphasis Corporation, obtained control of Stelligent Systems LLC (Stelligent), a technology services company that provides DevOps automation on the Amazon Web Services cloud by acquiring 100% of its membership interests. The acquisition seeks to strengthen and expand the Group's cloud service offering to its customers. The acquisition was executed through a membership interest purchase agreement for a cash consideration of USD 24.36 million (₹ 1,700.03). Net assets taken over was ₹ 63.51 and the intangible assets identified as part of purchase price allocation process was ₹ 109.69. The excess of the purchase consideration paid over the fair value of assets acquired amounting to ₹ 1,526.83 has been attributed to goodwill. Net assets acquired include ₹ 2.09 of cash and cash equivalents and trade receivables valued at ₹ 113.87. Trade receivables are expected to be collected in full. Goodwill comprises value of acquired workforce and expected synergies arising from the acquisition. The goodwill is tax-deductible.
- The results for the quarter and nine months ended 31 December 2017 and for the year ended 31 March 2018 were audited by the previous statutory auditors.

**By Order of the Board,  
Mphasis Limited**

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**Nitin Rakesh**  
Chief Executive Officer

Bengaluru  
24 January 2019