

Statement of Consolidated Audited Financial Results for the quarter and six months ended 30 September 2019

Particulars	Audited					
	Quarter ended			Six months ended		Year ended
	30 September 2019	30 June 2019	30 September 2018	30 September 2019	30 September 2018	31 March 2019
Revenue from operations	21,581.11	20,625.59	19,148.41	42,206.70	37,350.64	77,309.80
Other income	350.37	540.97	475.89	891.34	928.63	1,767.07
Total income (I)	21,931.48	21,166.56	19,624.30	43,098.04	38,279.27	79,076.87
Expenses						
Employee benefits expense	11,884.04	11,541.96	10,603.86	23,426.00	20,977.72	42,986.91
Finance costs	216.56	198.73	35.09	415.29	79.98	173.69
Depreciation and amortization expense	582.83	549.08	183.68	1,131.91	362.72	758.44
Other expenses	5,644.80	5,341.28	5,215.50	10,986.08	9,843.66	21,084.57
Total expenses (II)	18,328.23	17,631.05	16,038.13	35,959.28	31,264.08	65,003.61
Profit before tax (III) [(I)-(II)]	3,603.25	3,535.51	3,586.17	7,138.76	7,015.19	14,073.26
Tax expenses						
Current tax	861.70	1,034.18	916.69	1,895.88	1,629.12	3,191.46
Deferred tax	8.50	(145.66)	(39.77)	(137.16)	93.72	148.26
Total tax expenses	870.20	888.52	876.92	1,758.72	1,722.84	3,339.72
Profit for the period (A)	2,733.05	2,646.99	2,709.25	5,380.04	5,292.35	10,733.54
Other comprehensive income / (losses) ('OCI')						
Items to be reclassified to profit or loss in subsequent periods						
Exchange differences on translation of financial statements of foreign operations	522.41	(99.70)	1,246.50	422.71	2,212.98	1,044.63
Net change in fair value of derivatives designated as cash flow hedges	(350.25)	244.63	(1,831.06)	(105.62)	(3,513.46)	272.82
Income tax effect on cash flow hedges	122.23	(86.39)	639.84	35.84	1,227.74	(92.87)
Items not to be reclassified to profit or loss in subsequent periods						
Re-measurement gains / (losses) on defined employee benefit plans	(2.08)	46.35	28.93	44.27	50.00	4.40
Income tax effect on the above	0.55	(16.20)	(10.04)	(15.65)	(17.45)	(1.24)
Total OCI for the period, net of tax (B)	292.86	88.69	74.17	381.55	(40.19)	1,227.74
Total comprehensive income for the period (A+B)	3,025.91	2,735.68	2,783.42	5,761.59	5,252.16	11,961.28
Profit for the period attributable to:						
Equity owners of the Company	2,733.05	2,646.99	2,709.25	5,380.04	5,292.35	10,733.54
Non-controlling interests	-	-	-	-	-	-
Total comprehensive income for the period attributable to:	2,733.05	2,646.99	2,709.25	5,380.04	5,292.35	10,733.54
Equity owners of the Company	3,025.91	2,735.68	2,783.42	5,761.59	5,252.16	11,961.28
Non-controlling interests	-	-	-	-	-	-
Total comprehensive income for the period (A+B)	3,025.91	2,735.68	2,783.42	5,761.59	5,252.16	11,961.28
Equity share capital	1,863.64	1,863.20	1,934.24	1,863.64	1,934.24	1,862.26
Other equity	49,450.65	52,426.49	53,651.96	49,450.65	53,651.96	50,635.92
Earnings per equity share (par value ₹ 10 per share)						
Basic (₹)	14.67	14.21	14.01	28.88	27.38	56.05
Diluted (₹)	14.54	14.09	13.85	28.63	27.08	55.50

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			Six months ended		Year ended
	30 September 2019	30 June 2019	30 September 2018	30 September 2019	30 September 2018	31 March 2019
Segment revenue						
Banking and Capital Market	9,833.64	9,206.27	8,964.24	19,039.91	17,532.98	35,432.11
Insurance	2,414.41	2,405.52	2,199.27	4,819.93	4,251.21	9,072.44
Information Technology, Communication and Entertainment	3,459.40	3,412.92	3,315.59	6,872.32	6,454.98	13,355.71
Emerging Industries	5,754.18	5,582.33	4,999.70	11,336.51	9,457.89	20,333.41
Unallocated - hedge	119.48	18.55	(330.39)	138.03	(346.42)	(883.87)
Total segment revenue	21,581.11	20,625.59	19,148.41	42,206.70	37,350.64	77,309.80
Segment result						
Banking and Capital Market	2,466.19	2,263.70	2,531.84	4,729.89	4,839.22	9,339.74
Insurance	669.89	614.74	586.46	1,284.63	1,097.63	2,493.35
Information Technology, Communication and Entertainment	669.90	689.71	799.75	1,359.61	1,609.21	3,160.43
Emerging Industries	1,750.37	1,757.05	1,608.79	3,507.42	3,095.55	6,772.94
Unallocated - hedge	119.48	18.55	(330.39)	138.03	(346.42)	(883.87)
Total segment result	5,675.83	5,343.75	5,196.45	11,019.58	10,295.19	20,882.59
Interest income	79.03	228.81	66.66	307.84	150.95	351.09
Finance costs	(216.56)	(198.73)	(35.09)	(415.29)	(79.98)	(173.69)
Other income	271.34	312.16	409.23	583.50	777.68	1,415.98
Other unallocable expenditure	(2,206.39)	(2,150.48)	(2,051.08)	(4,356.87)	(4,128.65)	(8,402.71)
Profit before taxation	3,603.25	3,535.51	3,586.17	7,138.76	7,015.19	14,073.26

Consolidated Balance Sheet	As at 30 September 2019	As at 31 March 2019
ASSETS		
Non-current assets		
Property, plant and equipment	1,406.15	1,201.94
Capital work-in-progress	65.37	15.77
Right-of-use assets	5,903.67	-
Goodwill	20,045.63	19,584.55
Other intangible assets	821.84	910.84
Intangible assets under development	13.41	13.41
Financial assets		
Investments	2,663.47	2,591.88
Trade receivables	-	10.60
Loans	1,045.66	708.98
Other financial assets	347.51	635.08
Deferred tax assets (net)	1,090.10	813.82
Income tax assets (net)	5,671.04	5,230.88
Other assets	925.58	962.35
Total non-current assets	39,999.43	32,680.10
Current assets		
Financial assets		
Investments	11,418.84	10,700.33
Trade receivables	9,198.42	9,553.68
Unbilled receivables	8,739.78	8,933.43
Loans	772.23	1,256.92
Cash and cash equivalents	3,323.01	3,519.78
Bank balances other than cash and cash equivalents	462.38	2,896.31
Other financial assets	794.42	659.30
Other assets	2,962.76	3,510.77
Total current assets	37,671.84	41,030.52
TOTAL ASSETS	77,671.27	73,710.62
EQUITY AND LIABILITIES		
Equity		
Share capital	1,863.64	1,862.26
Other equity	49,450.65	50,635.92
Total equity	51,314.29	52,498.18
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Borrowings and lease liabilities	5,485.36	-
Other financial liabilities	45.37	39.91
Employee benefit obligations	779.03	782.22
Deferred tax liabilities (net)	47.71	27.96
Income tax liabilities (net)	307.25	298.90
Other liabilities	-	126.12
Total non-current liabilities	6,664.72	1,275.11
Current liabilities		
Financial liabilities		
Borrowings and lease liabilities	5,997.83	5,425.92
Trade payables		
- outstanding dues to micro and small enterprises	5.37	4.87
- outstanding dues to creditors other than micro and small enterprises	6,584.23	7,845.56
Other financial liabilities	3,022.85	2,785.42
Employee benefit obligations	714.53	642.79
Provisions	63.03	83.23
Income tax liabilities (net)	1,555.91	1,365.71
Other liabilities	1,748.51	1,783.83
Total current liabilities	19,692.26	19,937.33
TOTAL EQUITY AND LIABILITIES	77,671.27	73,710.62

Consolidated statement of cash flows	Six months ended 30 September 2019	Six months ended 30 September 2018
Operating activities		
Profit before tax	7,138.76	7,015.19
Adjustments to reconcile profit before tax to net cash provided by operating activities:		
Depreciation and amortization expense	1,131.91	362.72
Utilization of the rent equalisation reserve	-	249.77
Profit on sale of property, plant and equipment and intangible assets	(7.99)	(7.77)
Net gain on investments carried at fair value through profit and loss	(477.49)	(670.62)
Imputed interest income on security deposits	24.98	(3.73)
Share based payment expenses	75.19	126.03
Provision for expected credit loss	44.21	-
Finance costs	415.29	79.98
Interest income	(332.82)	(109.25)
Unrealized exchange loss, net	(1.50)	56.59
Operating profit before working capital changes	8,010.54	7,098.91
Working capital changes		
(Increase) / decrease in trade receivables and unbilled receivables	770.14	(726.50)
(Increase) / decrease in loans	(29.46)	126.93
(Increase) / decrease in other financial assets	17.65	(54.53)
(Increase) / decrease in other assets	416.46	410.86
Increase / (decrease) in trade payables	(1,325.99)	885.35
Increase / (decrease) in other financial liabilities	220.48	842.39
Increase / (decrease) in provisions and employee benefit obligations	87.45	(18.65)
Increase / (decrease) in other liabilities	(28.65)	(59.73)
Total working capital changes	128.08	1,406.12
Income tax paid (net of refunds)	(1,927.12)	(1,762.57)
Net cash flows generated from operating activities (A)	6,211.50	6,742.46
Investing activities		
Purchase of property, plant and equipment and intangible assets	(505.56)	(420.99)
Proceeds from sale of property, plant and equipment and intangible assets	9.15	12.37
Purchase of investments	(46,134.60)	(32,720.91)
Sale of investments	45,821.99	32,565.06
Interest received	130.40	126.04
Investments in bank deposits	(359.18)	(224.33)
Redemption / maturity of bank deposits	2,792.71	1,168.23
Net cash flows generated from investing activities (B)	1,754.91	505.47
Financing activities		
Proceeds from issue of shares	67.05	52.11
Repayment of borrowings	(10,586.61)	(10,852.85)
Availment of borrowings	9,543.38	8,786.41
Interest paid	(148.47)	(55.61)
Repayment of lease liabilities	(895.79)	-
Dividends paid	(6,065.00)	(4,655.83)
Net cash flows used in financing activities (C)	(8,085.44)	(6,725.77)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(119.03)	522.16
Effect of exchange rate changes	(77.74)	(109.63)
Cash and cash equivalents at the beginning of the period	3,519.78	4,641.76
Cash and cash equivalents at the end of the period	3,323.01	5,054.29
Components of cash and cash equivalents		
In current accounts	2,680.53	4,265.27
Deposits with original maturity of less than 3 months	621.45	769.17
Unclaimed dividend	21.03	19.76
Cash on hand	-	0.09
Total cash and cash equivalents	3,323.01	5,054.29

Notes:

1 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. These results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 14 November 2019. The statutory auditors have expressed an unmodified audit opinion on these results.

2 Audited Financial Results of Mphasis Limited (Standalone information).

Particulars	Quarter ended			Six months ended		Year ended
	30 September 2019	30 June 2019	30 September 2018	30 September 2019	30 September 2018	31 March 2019
Revenue from operations	10,487.87	9,602.96	8,524.20	20,090.83	16,769.57	34,340.19
Profit before tax	2,721.01	2,619.91	2,466.94	5,340.92	4,711.43	9,727.00
Profit after tax	2,102.59	2,058.08	1,889.39	4,160.67	3,596.45	7,694.33

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 annual / condensed interim standalone financial statements as stated.

3 The Group has adopted Ind AS 116, effective annual reporting periods beginning 1 April 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognized on the date of initial application (1 April 2019). Accordingly, the Group has not restated comparative information, instead the cumulative effect of initially applying this standard has been recognized as an adjustment to the retained earnings as on 1 April 2019. The Group has adopted Ind AS 116 using the cumulative effect method for transitioning.

4 The Board of Directors, in its meeting held on 27 May 2019 had proposed the final dividend of ₹ 27 per share for the year ended 31 March 2019. The dividend proposed by the Board of Directors was approved by the shareholders in the Annual General meeting held on 25 July 2019 and has been paid during the current quarter.

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

sd/-
Nitin Rakesh
Chief Executive Officer

New York
14 November 2019