

Statement of Consolidated Audited Financial Results for the quarter and six months ended 30 September 2020

| Particulars | Audited | | | | | |
|---|-------------------|------------------|-------------------|-------------------|-------------------|------------------|
| | Quarter ended | | | Six months ended | | Year ended |
| | 30 September 2020 | 30 June 2020 | 30 September 2019 | 30 September 2020 | 30 September 2019 | 31 March 2020 |
| Revenue from operations | 24,354.29 | 22,882.14 | 21,581.11 | 47,236.43 | 42,206.70 | 88,435.37 |
| Other income | 261.17 | 376.71 | 350.37 | 637.88 | 891.34 | 1,778.20 |
| Total income (I) | 24,615.46 | 23,258.85 | 21,931.48 | 47,874.31 | 43,098.04 | 90,213.57 |
| Expenses | | | | | | |
| Employee benefits expense | 14,351.30 | 13,028.41 | 11,884.04 | 27,379.71 | 23,426.00 | 49,226.41 |
| Finance costs | 147.45 | 194.67 | 216.56 | 342.12 | 415.29 | 811.93 |
| Depreciation and amortization expense | 599.76 | 594.47 | 582.83 | 1,194.23 | 1,131.91 | 2,316.31 |
| Other expenses | 5,478.76 | 5,675.63 | 5,644.80 | 11,154.39 | 10,986.08 | 22,705.12 |
| Total expenses (II) | 20,577.27 | 19,493.18 | 18,328.23 | 40,070.45 | 35,959.28 | 75,059.77 |
| Profit before tax (III) [(I)-(II)] | 4,038.19 | 3,765.67 | 3,603.25 | 7,803.86 | 7,138.76 | 15,153.80 |
| Tax expenses | | | | | | |
| Current tax | 1,028.12 | 889.36 | 861.70 | 1,917.48 | 1,895.88 | 3,495.35 |
| Deferred tax | 17.79 | 125.16 | 8.50 | 142.95 | (137.16) | (189.92) |
| Total tax expenses | 1,045.91 | 1,014.52 | 870.20 | 2,060.43 | 1,758.72 | 3,305.43 |
| Profit for the period (A) | 2,992.28 | 2,751.15 | 2,733.05 | 5,743.43 | 5,380.04 | 11,848.37 |
| 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 | (429.99) | 6.10 | 522.41 | (423.89) | 422.71 | 1,962.75 |
| Net change in fair value of derivatives designated as cash flow hedges | 1,012.95 | 631.06 | (350.25) | 1,644.01 | (105.62) | (1,915.73) |
| Income tax effect on cash flow hedges | (353.64) | (221.86) | 122.23 | (575.50) | 35.84 | 667.38 |
| Items not to be reclassified to profit or loss in subsequent periods | | | | | | |
| Re-measurement gains / (losses) on defined employee benefit plans | (3.97) | (38.53) | (2.08) | (42.50) | 44.27 | 38.15 |
| Income tax effect on the above | 1.32 | 13.47 | 0.55 | 14.79 | (15.65) | (13.49) |
| Total OCI for the period, net of tax (B) | 226.67 | 390.24 | 292.86 | 616.91 | 381.55 | 739.06 |
| Total comprehensive income for the period (A+B) | 3,218.95 | 3,141.39 | 3,025.91 | 6,360.34 | 5,761.59 | 12,587.43 |
| Profit for the period attributable to: | | | | | | |
| Equity owners of the Company | 2,992.28 | 2,751.15 | 2,733.05 | 5,743.43 | 5,380.04 | 11,848.37 |
| Non-controlling interests | - | - | - | - | - | - |
| Total comprehensive income for the period attributable to: | 2,992.28 | 2,751.15 | 2,733.05 | 5,743.43 | 5,380.04 | 11,848.37 |
| Equity owners of the Company | 2,992.28 | 2,751.15 | 2,733.05 | 5,743.43 | 5,380.04 | 11,848.37 |
| Equity owners of the Company | 3,218.95 | 3,141.39 | 3,025.91 | 6,360.34 | 5,761.59 | 12,587.43 |
| Non-controlling interests | - | - | - | - | - | - |
| Total comprehensive income for the period attributable to: | 3,218.95 | 3,141.39 | 3,025.91 | 6,360.34 | 5,761.59 | 12,587.43 |
| Equity share capital | 1,866.30 | 1,865.55 | 1,863.64 | 1,866.30 | 1,863.64 | 1,865.43 |
| Other equity | 56,374.29 | 59,611.73 | 49,450.65 | 56,374.29 | 49,450.65 | 56,430.56 |
| Earnings per equity share (par value ₹ 10 per share) | | | | | | |
| Basic (₹) | 16.04 | 14.75 | 14.67 | 30.79 | 28.88 | 63.57 |
| Diluted (₹) | 15.87 | 14.67 | 14.54 | 30.52 | 28.63 | 63.09 |

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. Effective 1 April 2020, the Group reorganized its industry verticals. Consequently, the Emerging Industries segment has been split into two segments - Logistics and transportation and Others. Accordingly, the new business segments are: Banking and Capital Market, Logistics and transportation, Information Technology Communication and Entertainment, Insurance, and Others.

Effective 1 April 2020, the basis of cost allocation to all segments has been changed by considering certain expenses to be un-allocable expenditure as these are not directly related to the revenue generating activities. Comparative information has been restated to give effect to these changes.

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 2020 | 30 June 2020 | 30 September 2019 | 30 September 2020 | 30 September 2019 | 31 March 2020 |
| Segment revenue | | | | | | |
| Banking and Capital Market | 12,949.92 | 11,239.69 | 9,833.64 | 24,189.61 | 19,039.91 | 40,084.97 |
| Logistics and Transportation | 2,979.25 | 3,234.39 | 2,877.25 | 6,213.64 | 5,536.59 | 12,131.39 |
| Information Technology, Communication and Entertainment | 2,860.32 | 3,257.92 | 3,459.40 | 6,118.24 | 6,872.32 | 13,971.23 |
| Insurance | 2,307.59 | 2,293.25 | 2,414.41 | 4,600.84 | 4,819.93 | 10,051.44 |
| Others | 3,140.98 | 3,011.62 | 2,876.93 | 6,152.60 | 5,799.92 | 11,999.22 |
| Unallocated - hedge | 116.23 | (154.73) | 119.48 | (38.50) | 138.03 | 197.12 |
| Total segment revenue | 24,354.29 | 22,882.14 | 21,581.11 | 47,236.43 | 42,206.70 | 88,435.37 |
| Segment result | | | | | | |
| Banking and Capital Market | 3,255.54 | 2,747.20 | 2,613.46 | 6,002.74 | 5,008.42 | 10,536.82 |
| Logistics and Transportation | 1,126.70 | 1,233.93 | 958.52 | 2,360.63 | 1,932.38 | 4,416.05 |
| Information Technology, Communication and Entertainment | 563.36 | 604.20 | 709.23 | 1,167.56 | 1,474.91 | 3,033.73 |
| Insurance | 748.48 | 654.25 | 728.91 | 1,402.73 | 1,397.91 | 2,885.04 |
| Others | 1,100.47 | 1,059.90 | 896.44 | 2,160.37 | 1,791.86 | 3,862.31 |
| Unallocated - hedge | 116.23 | (154.73) | 119.48 | (38.50) | 138.03 | 197.12 |
| Total segment result | 6,910.78 | 6,144.75 | 6,026.04 | 13,055.53 | 11,743.51 | 24,931.07 |
| Finance costs | (147.45) | (194.67) | (216.56) | (342.12) | (415.29) | (811.93) |
| Other income | 261.17 | 376.71 | 350.37 | 637.88 | 891.34 | 1,778.20 |
| Other unallocable expenditure | (2,986.31) | (2,561.12) | (2,556.60) | (5,547.43) | (5,080.80) | (10,743.54) |
| Profit before taxation | 4,038.19 | 3,765.67 | 3,603.25 | 7,803.86 | 7,138.76 | 15,153.80 |

| Consolidated Balance Sheet | As at 30 September 2020 | As at 31 March 2020 |
|--|-------------------------|---------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 1,994.53 | 1,699.74 |
| Capital work-in-progress | 10.18 | 73.80 |
| Right-of-use assets | 5,721.22 | 6,236.41 |
| Goodwill | 20,884.80 | 21,404.74 |
| Other intangible assets | 652.81 | 794.04 |
| Intangible assets under development | 195.47 | 93.22 |
| Financial assets | | |
| Investments | 2,696.80 | 3,478.70 |
| Loans | 529.08 | 640.68 |
| Other financial assets | 225.51 | 164.71 |
| Deferred tax assets (net) | 1,348.97 | 2,157.46 |
| Income tax assets (net) | 5,178.52 | 4,882.58 |
| Other assets | 1,117.69 | 1,778.27 |
| Total non-current assets | 40,555.58 | 43,404.35 |
| Current assets | | |
| Financial assets | | |
| Investments | 14,104.56 | 9,777.80 |
| Trade receivables | 8,127.11 | 8,352.52 |
| Unbilled receivables | 9,861.44 | 9,343.02 |
| Cash and cash equivalents | 5,020.47 | 9,880.01 |
| Bank balances other than cash and cash equivalents | 2,390.27 | 1,377.02 |
| Loans | 1,366.17 | 1,409.11 |
| Other financial assets | 1,002.34 | 548.05 |
| Other assets | 3,018.08 | 3,443.03 |
| Total current assets | 44,890.44 | 44,130.56 |
| TOTAL ASSETS | 85,446.02 | 87,534.91 |
| EQUITY AND LIABILITIES | | |
| EQUITY | | |
| Share capital | 1,866.30 | 1,865.43 |
| Other equity | 56,374.29 | 56,430.56 |
| Total equity | 58,240.59 | 58,295.99 |
| LIABILITIES | | |
| Non-current liabilities | | |
| Financial liabilities | | |
| Lease liabilities | 5,454.03 | 5,844.40 |
| Other financial liabilities | 60.78 | 630.82 |
| Other liabilities | 738.80 | - |
| Employee benefit obligations | 607.03 | 697.90 |
| Deferred tax liabilities (net) | 294.52 | 137.32 |
| Income tax liabilities (net) | 243.01 | 256.81 |
| Total non-current liabilities | 7,398.17 | 7,567.25 |
| Current liabilities | | |
| Financial liabilities | | |
| Borrowings | 5,543.08 | 5,712.85 |
| Lease liabilities | 1,281.11 | 1,396.60 |
| Trade payables | | |
| - outstanding dues to micro and small enterprises | 4.99 | 5.07 |
| - outstanding dues to creditors other than micro and small enterprises | 5,128.49 | 6,661.74 |
| Other financial liabilities | 3,563.87 | 4,162.71 |
| Other liabilities | 2,418.12 | 2,377.29 |
| Employee benefit obligations | 918.19 | 720.46 |
| Provisions | 67.97 | 68.30 |
| Income tax liabilities (net) | 881.44 | 566.65 |
| Total current liabilities | 19,807.26 | 21,671.67 |
| TOTAL EQUITY AND LIABILITIES | 85,446.02 | 87,534.91 |

| | Six months ended 30 September 2020 | Six months ended 30 September 2019 |
|---|---------------------------------------|---------------------------------------|
| Consolidated statement of cash flows | | |
| Operating activities | | |
| Profit before tax | 7,803.86 | 7,138.76 |
| Adjustments to reconcile profit before tax to net cash provided by operating activities: | | |
| Depreciation and amortization expense | 1,194.23 | 1,131.91 |
| Loss / (profit) on sale of property, plant and equipment and intangible assets | 0.14 | (7.99) |
| Net gain on investments carried at fair value through profit and loss | (430.91) | (477.49) |
| Share based payment expenses | 69.46 | 75.19 |
| Provision for expected credit loss | 76.94 | 44.21 |
| Finance costs | 342.12 | 415.29 |
| Interest income | (106.09) | (332.82) |
| Others | (21.10) | 24.98 |
| Unrealized exchange (gain), / loss, net | (2.56) | (1.50) |
| Operating profit before changes in operating assets and liabilities | 8,926.09 | 8,010.54 |
| Changes in operating assets and liabilities | | |
| Trade receivables and unbilled receivables | (353.57) | 770.14 |
| Loans | 182.95 | (29.46) |
| Other financial assets | 51.82 | 17.65 |
| Other assets | 702.59 | 416.46 |
| Trade payables | (1,641.65) | (1,325.99) |
| Other financial liabilities | 201.29 | 220.48 |
| Other liabilities | 777.72 | 87.45 |
| Provisions and employee benefit obligations | 62.32 | (28.65) |
| Total changes in operating assets and liabilities | (16.53) | 128.08 |
| Income tax paid (net of refunds) | (1,635.37) | (1,927.12) |
| Net cash flows generated from operating activities (A) | 7,274.19 | 6,211.50 |
| Investing activities | | |
| Purchase of property, plant and equipment and intangible assets | (650.91) | (505.56) |
| Proceeds from sale of property, plant and equipment and intangible assets | 0.20 | 9.15 |
| Purchase of investments | (47,295.36) | (46,134.60) |
| Sale of investments | 44,181.41 | 45,821.99 |
| Interest received | 73.40 | 130.40 |
| Investments in bank deposits | (1,551.52) | (360.45) |
| Redemption / maturity of bank deposits | 610.63 | 2,792.71 |
| Net cash flows (used in) / generated from investing activities (B) | (4,632.15) | 1,753.64 |
| Financing activities | | |
| Proceeds from issue of shares | 44.68 | 67.05 |
| Repayment of borrowings | (5,619.93) | (10,586.61) |
| Availment of borrowings | 5,558.02 | 9,543.38 |
| Interest paid | (330.02) | (148.47) |
| Repayment of lease liabilities | (677.99) | (895.79) |
| Dividends paid | (6,522.99) | (6,065.00) |
| Net cash flows used in financing activities (C) | (7,548.23) | (8,085.44) |
| Net decrease in cash and cash equivalents (A+B+C) | (4,906.19) | (120.30) |
| Effect of exchange rate changes | 46.65 | (77.74) |
| Cash and cash equivalents at the beginning of the period | 9,880.01 | 3,500.02 |
| Cash and cash equivalents at the end of the year | 5,020.47 | 3,301.98 |
| Components of cash and cash equivalents | | |
| In current accounts | 4,523.93 | 2,680.53 |
| Deposits with original maturity of less than 3 months | 496.51 | 621.45 |
| Cash on hand | 0.03 | - |
| Total cash and cash equivalents | 5,020.47 | 3,301.98 |

Notes:

1 The financial results have been prepared in accordance with the Indian Accounting Standards ("Ind AS") 34, Interim Financial Reporting 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 22 October 2020. 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 2020 | 30 June 2020 | 30 September 2019 | 30 September 2020 | 30 September 2019 | 31 March 2020 |
| Revenue from operations | 14,056.35 | 11,330.08 | 10,487.87 | 25,386.43 | 20,090.83 | 43,471.39 |
| Profit before tax | 3,761.92 | 2,681.97 | 2,721.01 | 6,443.89 | 5,340.92 | 13,876.37 |
| Profit after tax | 2,785.21 | 2,001.43 | 2,102.59 | 4,786.64 | 4,160.67 | 12,050.55 |

The audited results of Mphasis Limited for the above mentioned periods are available on Company's website, www.mphasis.com and on the Stock Exchange websites, www.nseindia.com and www.bseindia.com. The information above has been extracted from the audited annual / condensed interim standalone financial statements as stated.

3 The Board of Directors in their meeting held on 13 May 2020 had proposed a final dividend of ₹ 35 per equity share for the year ended 31 March 2020. The dividend proposed by the Board of Directors was approved by the shareholders in the Annual General meeting held on 23 July 2020 and has been paid during the current quarter.

4 The Code on Social Security 2020 ('Code'), which received the Presidential Assent on 28 September 2020, subsumes nine regulations relating to social security, retirement, and employee benefits. The effective date of the Code has not yet been notified and the related rules to ascertain the financial impact are yet to be framed and made available. Based on an initial assessment carried out by the Company and its Indian subsidiaries, the additional impact on Provident Fund contributions is not expected to be material, whereas, the additional impact on Gratuity liability / contributions by the Company and its Indian subsidiaries is likely to be material. In the period in which the Code is made effective and the related rules to determine the financial impact have been notified, the Company and its Indian subsidiaries will complete their evaluation, determine the impact thereof on the financial statements / results and account for the same.

5 **Impact of the Global Pandemic ('Covid-19')**

The Group has taken into account the possible impacts of Covid-19 in preparation of the condensed consolidated interim financial statements / results, including but not limited to its assessment of liquidity and going concern assumption, impairment triggers for non-current assets including goodwill, recoverable values of its financial and non-financial assets, impact on revenues and on cost budgets in respect of fixed price contracts, impact on measurement of deferred tax assets / liabilities, impact on leases and impact on effectiveness of its hedging relationships. The Group has considered available sources of information upto the date of approval of the condensed consolidated interim financial statements / results and expects to recover the carrying amount of its assets. The impact of Covid-19 on the condensed consolidated interim financial statements / results may differ from that estimated as at the date of approval of these condensed consolidated interim financial statements / results.

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

New York
22 October 2020

**Nitin Rakesh
Chief Executive Officer**