

**Statement of Standalone 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	14,056.35	11,330.08	10,487.87	25,386.43	20,090.83	43,471.39
Other income	159.20	230.48	195.35	389.68	587.15	3,232.90
<b>Total income (I)</b>	<b>14,215.55</b>	<b>11,560.56</b>	<b>10,683.22</b>	<b>25,776.11</b>	<b>20,677.98</b>	<b>46,704.29</b>
<b>Expenses</b>						
Employee benefits expense	4,509.95	4,335.38	4,089.20	8,845.33	8,043.23	16,621.10
Finance costs	121.00	157.57	165.52	278.57	318.72	630.43
Depreciation and amortization expense	378.89	378.75	391.80	757.64	751.52	1,532.43
Other expenses	5,443.79	4,006.89	3,315.69	9,450.68	6,223.59	14,043.96
<b>Total expenses (II)</b>	<b>10,453.63</b>	<b>8,878.59</b>	<b>7,962.21</b>	<b>19,332.22</b>	<b>15,337.06</b>	<b>32,827.92</b>
<b>Profit before tax (III) [(I)-(II)]</b>	<b>3,761.92</b>	<b>2,681.97</b>	<b>2,721.01</b>	<b>6,443.89</b>	<b>5,340.92</b>	<b>13,876.37</b>
<b>Tax expenses</b>						
Current tax	1,012.42	600.91	625.27	1,613.33	1,265.58	2,029.91
Deferred tax	(35.71)	79.63	(6.85)	43.92	(85.33)	(204.09)
<b>Total tax expenses</b>	<b>976.71</b>	<b>680.54</b>	<b>618.42</b>	<b>1,657.25</b>	<b>1,180.25</b>	<b>1,825.82</b>
<b>Profit for the period (A)</b>	<b>2,785.21</b>	<b>2,001.43</b>	<b>2,102.59</b>	<b>4,786.64</b>	<b>4,160.67</b>	<b>12,050.55</b>
<b>Other comprehensive income / (losses) ('OCI')</b>						
<b>Items to be reclassified to profit or loss in subsequent periods</b>						
Net change in fair value of derivatives designated as cash flow hedges	1,009.63	644.77	(347.32)	1,654.40	(87.20)	(1,877.62)
Income tax effect on the above	(352.80)	(225.31)	121.37	(578.11)	30.47	656.11
<b>Items not to be reclassified to profit or loss in subsequent periods</b>						
Re-measurement gains / (losses) on defined employee benefit plans	(2.79)	(37.69)	(1.26)	(40.48)	45.73	41.97
Income tax effect on the above	0.97	13.17	0.44	14.14	(15.98)	(14.67)
<b>Total OCI for the period, net of tax (B)</b>	<b>655.01</b>	<b>394.94</b>	<b>(226.77)</b>	<b>1,049.95</b>	<b>(26.98)</b>	<b>(1,194.21)</b>
<b>Total comprehensive income for the period (A+B)</b>	<b>3,440.22</b>	<b>2,396.37</b>	<b>1,875.82</b>	<b>5,836.59</b>	<b>4,133.69</b>	<b>10,856.34</b>
Equity share capital	1,866.30	1,865.55	1,863.64	1,866.30	1,863.64	1,865.43
Other equity	34,326.57	37,342.74	28,029.87	34,326.57	28,029.87	34,906.59
<b>Earnings per equity share (par value ₹ 10 per share)</b>						
Basic (₹)	14.93	10.73	11.28	25.66	22.33	64.66
Diluted (₹)	14.77	10.68	11.19	25.44	22.14	64.17

**Segment reporting**

In accordance with Ind AS 108, Operating segments, the Company is exempted from disclosing segment information in standalone financial results. Refer the consolidated financial results for segment information.

Standalone Balance Sheet	As at 30 September 2020	As at 31 March 2020
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,474.81	1,306.95
Capital work-in-progress	10.14	72.67
Right-of-use assets	4,651.07	4,939.67
Other intangible assets	80.91	97.27
<b>Financial assets</b>		
Investments	15,772.22	14,997.93
Loans	460.15	612.74
Other financial assets	174.10	151.78
Deferred tax assets (net)	1,054.00	1,922.47
Income tax assets (net)	4,145.19	4,118.10
Other assets	619.93	1,238.48
<b>Total non-current assets</b>	<b>28,442.52</b>	<b>29,458.06</b>
<b>Current assets</b>		
<b>Financial assets</b>		
Investments	6,420.55	3,166.79
Trade receivables	7,482.13	7,684.46
Unbilled receivables	4,443.43	3,596.83
Cash and cash equivalents	2,761.82	7,464.52
Bank balances other than cash and cash equivalents	595.87	20.78
Loans	1,216.30	1,158.28
Other financial assets	1,014.02	584.67
Other assets	2,029.09	1,989.24
<b>Total current assets</b>	<b>25,963.21</b>	<b>25,665.57</b>
<b>TOTAL ASSETS</b>	<b>54,405.73</b>	<b>55,123.63</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	1,866.30	1,865.43
Other equity	34,326.57	34,906.59
<b>Total equity</b>	<b>36,192.87</b>	<b>36,772.02</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Lease liabilities	4,651.58	4,853.38
Other financial liabilities	53.44	627.52
Other liabilities	7.15	-
Employee benefit obligations	597.23	687.76
<b>Total non-current liabilities</b>	<b>5,309.40</b>	<b>6,168.66</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	2,260.31	2,345.62
Lease liabilities	866.90	951.04
Trade payables		
- outstanding dues to micro and small enterprises	4.99	5.07
- outstanding dues to creditors other than micro and small enterprises	6,581.65	5,028.00
Other financial liabilities	1,584.25	2,750.84
Other liabilities	574.88	548.39
Employee benefit obligations	276.37	187.06
Provisions	55.34	55.34
Income tax liabilities (net)	698.77	311.59
<b>Total current liabilities</b>	<b>12,903.46</b>	<b>12,182.95</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>54,405.73</b>	<b>55,123.63</b>

Amounts in ₹ million except share and per share data, unless otherwise stated

Standalone statement of cash flows	Six months ended 30 September 2020	Six months ended 30 September 2019
<b>Operating activities</b>		
Profit before tax	6,443.89	5,340.92
<b>Adjustments to reconcile profit before tax to net cash provided by operating activities:</b>		
Depreciation and amortization expense	757.64	751.52
Loss / (profit) on sale of property, plant and equipment and intangible assets	0.15	(7.81)
Net gain on investments carried at fair value through profit and loss	(168.95)	(215.89)
Share based payment expenses	18.25	19.14
Provision for expected credit loss	45.27	51.12
Finance costs	278.57	318.72
Interest income	(56.88)	(234.10)
Others	(20.28)	20.94
Unrealized exchange (gain)/loss, net	(2.47)	(1.76)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>7,295.19</b>	<b>6,042.80</b>
<b>Changes in operating assets and liabilities</b>		
Trade receivables and unbilled receivables	(732.05)	(883.68)
Loans	122.67	(32.52)
Other financial assets	119.44	539.10
Other assets	202.47	141.95
Trade payables	1,553.57	433.86
Other financial liabilities	(383.51)	75.97
Other liabilities	33.64	55.54
Provisions and employee benefit obligations	(41.70)	55.23
<b>Total changes in operating assets and liabilities</b>	<b>874.53</b>	<b>385.45</b>
Income tax paid (net of refunds)	(992.66)	(1,096.45)
<b>Net cash flows generated from operating activities (A)</b>	<b>7,177.06</b>	<b>5,331.80</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(331.26)	(425.76)
Proceeds from sale of property, plant and equipment and intangible assets	-	8.87
Purchase of investments	(32,722.36)	(29,337.77)
Sale of investments	28,863.28	32,057.19
Interest received	27.46	6.91
Investments in bank deposits	(463.86)	(71.26)
Redemption / maturity of bank deposits	10.97	27.00
<b>Net cash flows (used in) / generated from investing activities (B)</b>	<b>(4,615.77)</b>	<b>2,265.18</b>
<b>Financing activities</b>		
Proceeds from issue of shares	44.68	67.05
Repayment of borrowings	(3,519.97)	(3,546.84)
Availment of borrowings	3,465.56	3,286.53
Interest paid	(265.88)	(78.65)
Repayment of lease liabilities	(465.39)	(674.57)
Dividends paid	(6,522.99)	(6,065.00)
<b>Net cash flows used in financing activities (C)</b>	<b>(7,263.99)</b>	<b>(7,011.48)</b>
<b>Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>	<b>(4,702.70)</b>	<b>585.50</b>
Cash and cash equivalents at the beginning of the period	7,464.52	1,418.55
<b>Cash and cash equivalents at the end of the period</b>	<b>2,761.82</b>	<b>2,004.05</b>
<b>Components of cash and cash equivalents</b>		
In current accounts	2,507.69	1,872.99
Deposits with original maturity of less than 3 months	254.13	131.06
<b>Total cash and cash equivalents</b>	<b>2,761.82</b>	<b>2,004.05</b>

**Notes:**

- 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.
- 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.
- 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, the additional impact on Provident Fund contributions is not expected to be material, whereas, the additional impact on Gratuity liability / contributions by the Company 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 will complete their evaluation, determine the impact thereof on the financial statements / results and account for the same.
- Impact of the Global Pandemic ('Covid-19')**  
The Company has taken into account the possible impacts of Covid-19 in preparation of the condensed standalone interim financial statements / results, including but not limited to its assessment of liquidity and going concern assumption, impairment triggers for non-current assets, 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 Company has considered available sources of information upto the date of approval of the condensed standalone interim financial statements / results and expects to recover the carrying amount of its assets. The impact of Covid-19 on the condensed standalone interim financial statements / results may differ from that estimated as at the date of approval of these condensed standalone interim financial statements / results.

By Order of the Board,  
Mphasis Limited

New York  
22 October 2020

Nitish Rakesh  
Chief Executive Officer