

Statement of Consolidated Audited Financial Results for the quarter and year ended 31 March 2021

Particulars	Audited				
	Quarter ended			Year ended	
	31 March 2021 (refer note 8)	31 December 2020	31 March 2020 (refer note 8)	31 March 2021	31 March 2020
Revenue from operations	25,242.83	24,743.85	23,461.51	97,223.11	88,435.37
Other income	325.93	365.64	525.20	1,329.45	1,778.20
Total income (I)	25,568.76	25,109.49	23,986.71	98,552.56	90,213.57
Expenses					
Employee benefits expense	14,539.63	14,378.52	13,211.02	56,297.86	49,226.41
Finance costs	144.03	148.00	206.54	634.15	811.93
Depreciation and amortization expense	616.90	606.75	608.70	2,417.88	2,316.31
Other expenses	6,031.94	5,710.26	5,810.46	22,896.59	22,705.12
Total expenses (II)	21,332.50	20,843.53	19,836.72	82,246.48	75,059.77
Profit before tax (III) [(I)-(II)]	4,236.26	4,265.96	4,149.99	16,306.08	15,153.80
Tax expense					
Current tax	1,281.89	894.93	586.21	4,094.30	3,495.35
Deferred tax	(214.98)	115.76	31.48	43.73	(189.92)
Total tax expense	1,066.91	1,010.69	617.69	4,138.03	3,305.43
Profit for the period (A)	3,169.35	3,255.27	3,532.30	12,168.05	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	27.25	(18.50)	1,173.97	(415.14)	1,962.75
Net change in fair value of derivatives designated as cash flow hedges	228.22	337.55	(1,695.90)	2,209.78	(1,915.73)
Income tax effect on cash flow hedges	(77.45)	(118.78)	593.05	(771.73)	667.38
Items not to be reclassified to profit or loss in subsequent periods					
Re-measurement gains / (losses) on defined employee benefit plans	(14.42)	(34.06)	(0.40)	(90.98)	38.15
Income tax effect on the above	4.04	11.96	(0.06)	30.79	(13.49)
Total OCI for the period, net of tax (B)	167.64	178.17	70.66	962.72	739.06
Total comprehensive income for the period (A+B)	3,336.99	3,433.44	3,602.96	13,130.77	12,587.43
Profit for the period attributable to:					
Equity owners of the Company	3,169.35	3,255.27	3,532.30	12,168.05	11,848.37
Non-controlling interests	-	-	-	-	-
Total comprehensive income for the period attributable to:	3,169.35	3,255.27	3,532.30	12,168.05	11,848.37
Equity owners of the Company	3,336.99	3,433.44	3,602.96	13,130.77	12,587.43
Non-controlling interests	-	-	-	-	-
Total comprehensive income for the period attributable to:	3,336.99	3,433.44	3,602.96	13,130.77	12,587.43
Equity share capital	1,870.49	1,867.39	1,865.43	1,870.49	1,865.43
Other equity	63,396.61	59,875.88	56,430.56	63,396.61	56,430.56
Earnings per equity share (par value ₹ 10 per share)					
Basic (₹)	16.96	17.44	18.94	65.18	63.57
Diluted (₹)	16.73	17.22	18.82	64.43	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.

Particulars	Quarter ended			Year ended	
	31 March 2021 (refer note 8)	31 December 2020	31 March 2020 (refer note 8)	31 March 2021	31 March 2020
	Segment revenue				
Banking and Capital Market	12,554.16	13,116.92	10,719.11	49,860.69	40,084.96
Logistics and Transportation	3,358.49	3,109.34	3,436.28	12,681.47	12,131.40
Information Technology, Communication and Entertainment	3,641.74	3,164.97	3,532.19	12,924.95	13,971.23
Insurance	2,521.85	2,386.22	2,678.61	9,508.91	10,051.44
Others	2,967.72	2,824.03	3,109.61	11,944.35	11,999.22
Unallocated - hedge	198.87	142.37	(14.29)	302.74	197.12
Total segment revenue	25,242.83	24,743.85	23,461.51	97,223.11	88,435.37
Segment result					
Banking and Capital Market	2,974.04	3,226.82	2,824.10	12,203.60	10,536.82
Logistics and Transportation	1,470.25	1,290.98	1,320.95	5,121.86	4,416.05
Information Technology, Communication and Entertainment	700.93	760.56	740.27	2,629.05	3,033.73
Insurance	907.25	819.15	832.27	3,129.13	2,885.04
Others	1,104.51	961.37	1,089.12	4,226.25	3,862.31
Unallocated - hedge	198.87	142.37	(14.29)	302.74	197.12
Total segment result	7,355.85	7,201.25	6,792.42	27,612.63	24,931.07
Finance costs	(144.03)	(148.00)	(206.54)	(634.15)	(811.93)
Other income	325.93	365.64	525.20	1,329.45	1,778.20
Other unallocable expenditure	(3,301.49)	(3,152.93)	(2,961.09)	(12,001.85)	(10,743.54)
Profit before taxation	4,236.26	4,265.96	4,149.99	16,306.08	15,153.80

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

Consolidated Balance Sheet	As at 31 March 2021	As at 31 March 2020
ASSETS		
Non-current assets		
Property, plant and equipment	2,117.82	1,699.74
Capital work-in-progress	31.27	73.80
Right-of-use assets	5,677.15	6,236.41
Goodwill	21,325.67	21,404.74
Other intangible assets	1,074.48	794.04
Intangible assets under development	-	93.22
Financial assets		
Investments	3,114.28	3,478.70
Loans	547.17	640.68
Other financial assets	928.75	164.71
Deferred tax assets (net)	1,260.72	2,157.46
Income tax assets (net)	5,496.40	4,882.58
Other assets	1,013.12	1,778.27
Total non-current assets	42,586.83	43,404.35
Current assets		
Financial assets		
Investments	15,345.90	9,777.80
Trade receivables	9,294.82	8,352.52
Unbilled receivables	9,210.05	9,343.02
Cash and cash equivalents	7,711.44	9,880.01
Bank balances other than cash and cash equivalents	2,910.98	1,377.02
Loans	1,468.93	1,409.11
Other financial assets	1,280.74	548.05
Other assets	4,179.79	3,443.03
Total current assets	51,402.65	44,130.56
TOTAL ASSETS	93,989.48	87,534.91
EQUITY AND LIABILITIES		
EQUITY		
Share capital	1,870.49	1,865.43
Other equity	63,396.61	56,430.56
Total equity	65,267.10	58,295.99
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Lease liabilities	5,370.38	5,844.40
Other financial liabilities	39.69	630.82
Employee benefit obligations	727.68	697.90
Deferred tax liabilities (net)	342.86	137.32
Income tax liabilities (net)	242.25	256.81
Other liabilities	562.53	-
Total non-current liabilities	7,285.39	7,567.25
Current liabilities		
Financial liabilities		
Borrowings	5,134.50	5,712.85
Lease liabilities	1,306.14	1,396.60
Trade payables		
- outstanding dues to micro and small enterprises	4.94	5.07
- outstanding dues to creditors other than micro and small enterprises	5,959.02	6,661.74
Other financial liabilities	3,241.49	4,162.71
Other liabilities	2,770.22	2,377.29
Employee benefit obligations	970.11	720.46
Provisions	496.99	68.30
Income tax liabilities (net)	1,553.58	566.65
Total current liabilities	21,436.99	21,671.67
TOTAL EQUITY AND LIABILITIES	93,989.48	87,534.91

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

	Year ended 31 March 2021	Year ended 31 March 2020
Consolidated statement of cash flows		
Operating activities		
Profit before tax	16,306.08	15,153.80
Adjustments to reconcile profit before tax to net cash provided by operating activities:		
Depreciation and amortization expense	2,417.88	2,316.31
Profit on sale of property, plant and equipment and intangible assets	(4.31)	(16.33)
Net gain on investments carried at fair value through profit and loss	(839.28)	(933.38)
Share based payment expenses	102.19	146.70
Provision for expected credit loss	251.81	92.49
Finance costs	634.15	811.93
Interest income	(213.25)	(557.21)
Others	(106.41)	(106.42)
Unrealized exchange gain, net	(102.10)	(160.04)
Operating profit before changes in operating assets and liabilities	18,446.76	16,747.85
Changes in operating assets and liabilities		
Trade receivables and unbilled receivables	(820.64)	1,779.25
Loans	89.59	(209.43)
Other financial assets	139.43	(70.71)
Other assets	(310.54)	(832.49)
Trade payables	(924.81)	(1,442.35)
Other financial liabilities	(132.19)	678.09
Other liabilities	899.59	535.53
Provisions and employee benefit obligations	606.38	(15.47)
Total changes in operating assets and liabilities	(453.19)	422.42
Income tax paid (net of refunds)	(3,448.25)	(3,960.06)
Net cash flows generated from operating activities (A)	14,545.32	13,210.21
Investing activities		
Purchase of property, plant and equipment and intangible assets	(1,261.65)	(1,261.18)
Proceeds from sale of property, plant and equipment and intangible assets	9.76	18.08
Purchase of investments	(67,143.61)	(78,641.89)
Sale of investments	62,779.21	79,610.98
Interest received	196.67	211.98
Payment for business acquisition, net of cash acquired (₹ 151.32)	(805.19)	-
Investments in bank deposits	(3,788.01)	(1,426.24)
Redemption / maturity of bank deposits	1,794.01	2,895.70
Net cash flows (used in) / generated from investing activities (B)	(8,218.81)	1,407.43
Financing activities		
Proceeds from issue of shares	268.03	151.40
Repayment of borrowings	(12,558.31)	(17,615.48)
Availment of borrowings	12,149.60	17,391.84
Interest paid	(619.65)	(779.89)
Repayment of lease liabilities	(1,327.59)	(1,329.78)
Dividends paid including DDT amounting to ₹ nil (31 March 2020: ₹ 1,034.18)	(6,526.78)	(6,065.25)
Net cash flows used in financing activities (C)	(8,614.70)	(8,247.16)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(2,288.19)	6,370.48
Effect of exchange rate changes	119.62	9.51
Cash and cash equivalents at the beginning of the year	9,880.01	3,500.02
Cash and cash equivalents at the end of the year	7,711.44	9,880.01

Notes:

1 The financial results have been prepared in accordance with the Indian Accounting Standards ("Ind AS") 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 13 May 2021. The statutory auditors have expressed an unmodified audit opinion on these results.

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

Particulars	Quarter ended			Year ended	
	31 March 2021	31 December 2020	31 March 2020	31 March 2021	31 March 2020
	(refer note 8)		(refer note 8)		
Revenue from operations	15,396.56	14,829.52	12,095.25	55,612.51	43,471.39
Profit before tax	4,207.51	3,806.24	5,495.31	14,457.64	13,876.37
Profit after tax	3,153.95	3,163.03	5,205.34	11,103.62	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 quarter ended 30 September 2020.

4 The Board of Directors in their meeting held on 13 May 2021 have proposed a final dividend of ₹ 65 per equity share for the year ended 31 March 2021 which is subject to the approval of shareholders at the ensuing Annual General Meeting and if approved, would result in a cash outflow of approximately ₹ 12,157.73.

5 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 Code will have an impact on the contributions towards gratuity and provident fund made by the Company and its Indian subsidiaries. The Ministry of Labour and Employment ('Ministry') has released draft rules for the Code on 13 November 2020 and has invited suggestions from stake holders. The suggestions received are under consideration by the Ministry. The effective date of the Code has not yet been notified and the related rules to ascertain the financial impact are yet to be finalized and notified. The Company and its Indian subsidiaries will assess the impact once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

6 On 19 November 2020, the Company through its wholly owned subsidiary, Mphasis Consulting Limited, obtained control of Datalytx Limited and its subsidiaries ('Datalytx') by acquiring 100% of its shares in cash. Datalytx is a next-gen data engineering and consultancy company providing next-gen data Engineering, Data Ops and Master Data Management solutions on Snowflake and Talend environments. The acquisition seeks to strengthen the Group's next-gen data strategy and build capabilities relevant to the digital priorities of its clients. The acquisition was executed through a share purchase agreement for a consideration of GBP 11.55 million (₹ 1,141.92 million). The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill. Net assets acquired include ₹ 151.32 million of cash and cash equivalents and trade and other receivables valued at ₹ 278.59 million. Trade and other receivables are expected to be collected in full. Goodwill of ₹ 583.52 million comprises value of acquired workforce and expected synergies arising from the acquisition. The goodwill is not tax-deductible and has been allocated to the Datalytx Cash Generating Unit ('CGU'). The fair value of contingent consideration linked to continuing employment is being accounted for as a post combination expense in the statement of profit and loss.

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

The Group has taken into account the possible impacts of Covid-19 in preparation of the consolidated 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 consolidated financial statements / results and expects to recover the carrying amount of its assets. The impact of Covid-19 on the consolidated financial statements / results may differ from that estimated as at the date of approval of these consolidated financial statements / results.

8 The figures for the current quarter ended 31 March 2021 are the balancing figures between audited figures for full financial year and audited year-to-date figures upto 31 December 2020. The figures for the corresponding previous quarter ended 31 March 2020 are the balancing figures between audited figures for full financial year and the audited year - to - date figures upto 31 December 2019.

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

New York
13 May 2021

**Nitin Rakesh
Chief Executive Officer**