

Notice of Annual General Meeting

Notice is hereby given that the Twenty Fourth Annual General Meeting of the members of Mphasis Limited will be held at 10:00 am on Wednesday, the 9 September 2015, at The Chancery Pavilion Hotel, No. 135, Residency Road, Bengaluru 560 025, India to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the consolidated and standalone Financial Statements of the Company comprising of audited Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, and the reports of the Directors' and Auditors' thereon.
2. To declare a dividend on equity shares.
3. To appoint a director in place of Mr. Shankar Maitra, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Stefan Antonio Lutz, who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint Statutory Auditors and to fix their remuneration.

RESOLVED THAT pursuant to provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the applicable Rules made thereunder, M/s. S R Batliboi & Associates LLP, Chartered Accountants (Registration No.101049W) who retires at the conclusion of this Annual General Meeting, be and are hereby re-appointed as the Statutory Auditors of the Company from the conclusion of this meeting till the conclusion of the Twenty Seventh Annual General Meeting of the Company, subject to ratification by the members at every Annual General Meeting to be held hereafter, at a remuneration to be fixed by the Audit Committee/Board of Directors of the Company, in addition to reimbursement of service tax and actual out of pocket and travelling expenses incurred in connection with the audit and as billed progressively.

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

RESOLVED THAT pursuant to the provisions of Sections 152, 160 and other applicable Sections of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for time being in force), and the applicable Rules made thereunder, Ms. Mary Teresa Hassett (DIN 6983782) be and is hereby appointed as a director of the Company, whose period of office shall be liable for retirement by rotation.

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Friedrich Froeschl (DIN 2601362), in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not subject to retirement by rotation, to hold office for a term of 5 (Five) consecutive years with effect from 1 October 2014.

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **ORDINARY RESOLUTION:**

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement,

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Mr. Davinder Singh Brar (DIN 68502), in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not subject to retirement by rotation, to hold office for a term of 5 (Five) consecutive years with effect from 1 October 2014.

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Narayanan Kumar (DIN 7848), in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not subject to retirement by rotation, to hold office for a term of 5 (Five) consecutive years with effect from 1 April 2014.

10. To consider and if thought fit, to pass, with or without modifications, the following resolution as a **SPECIAL RESOLUTION**:

RESOLVED THAT pursuant to Section 62 of the Companies Act, 2013, rules made thereunder and all other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the guidelines prescribed thereunder by SEBI and other SEBI Regulations as may be applicable in this regard and in accordance with the provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permission and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include any Committee which the Board has authorized in this behalf including authorization of the powers conferred by this resolution), the approval of the members of the Company be and is hereby accorded to "**Mphasis Restricted Stock Units Plan 2015**" (hereinafter referred to as RSU 2015) and the Board be and is hereby authorized to grant Restricted Stock Units (RSUs) from time to time in one or more tranches to or for the benefit of such Senior Executives who are in the permanent employment of the Company (including the managing/whole-time director) at a price of ₹ 10 each with the underlying equity shares, whether acquired from the secondary market through a Trust and/or created by allotment of further shares, not exceeding 2,500,000 equity shares of ₹ 10 each (as adjusted for any changes in capital structure and adjustments arising out of the corporate actions in terms of such units).

RESOLVED FURTHER THAT the maximum number of equity shares issued to any specific employee under the RSU 2015 shall not exceed 1% of the issued and paid-up capital of the Company in any financial year.

RESOLVED FURTHER THAT the Board be and is hereby also authorized at any time to make such amendments including suspension or termination of RSU 2015, provided such amendments are required to be carried out pursuant to changes in the laws.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors of the Company, be and is hereby authorized to take such steps and actions and give such directions as it may in its absolute discretion deem necessary to give effect to the above resolution and to settle any question that may arise in this regard.

11. To consider and if thought fit, to pass, with or without modifications, the following resolution as a **SPECIAL RESOLUTION**:

RESOLVED THAT pursuant to Section 62 of the Companies Act, 2013, rules made thereunder and all other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the guidelines prescribed thereunder by SEBI and other SEBI Regulations as may be applicable in this regard and in accordance with the provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may

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be prescribed or imposed while granting such approvals, permission and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall include any Committee which the Board has authorized in this behalf including authorization of the powers conferred by this resolution), the approval of the members of the Company be and is hereby accorded to the Board to extend the benefits of Mphasis Restricted Stock Units Plan 2015 proposed in the resolution under Item No. 10 of this Notice to the eligible Senior Executives of the subsidiary companies, on such terms and conditions as may be decided by the Board and for the purpose of giving effect to the resolution, the Board be and is hereby authorized to take such steps and actions and give such directions as it may in its absolute discretion deem necessary and settle any question that may arise in this regard.

12. To consider and if thought fit, to pass, with or without modifications, the following resolution as a **SPECIAL RESOLUTION**:

RESOLVED THAT subject to the provisions of the Indian Trust Act, 1882 and Securities Exchange Board of India (Shares Based Employee Benefits) Regulations, 2014, the guidelines prescribed thereunder by SEBI, the approval of the members of the Company be and is hereby accorded to implement the RSU 2015 through the Mphasis Employees Benefit Trust, an irrevocable trust formed for administration of the Restricted Stock Units Plans of the Company and to purchase 2,500,000 equity shares of the Company from the secondary market through Mphasis Employees Benefit Trust, at such price(s), in one or more tranches and on such terms and conditions as may be determined by the Board in accordance with the provisions of the RSU 2015.

RESOLVED FURTHER THAT the approval of the members of the Company be and is hereby accorded to issue and allot equity shares of ₹ 10 each of the Company in case the shares acquired from the secondary market are not sufficient to cover exercise of units under RSU 2015 and the number of shares approved hereinabove for secondary market acquisition shall accordingly be reduced and that such equity shares allotted shall rank *pari passu* in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT pursuant to Section 67 of the Companies Act, 2013, Rule 16 of Companies (Share Capital and Debentures) Rules, 2013 and all other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the guidelines prescribed thereunder by SEBI and other SEBI Regulations as may be applicable in this regard and in accordance with the provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permission and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall include any Committee which the Board has authorized in this behalf including authorization of the powers conferred by this resolution), the approval of the members of the Company be and is hereby accorded to make loan and/or provision of money, from time to time, to the Mphasis Employees Benefit Trust for the acquisition of 2,500,000 (Twenty five lakh) equity shares of the Company representing 1.19% of the paid up share capital as at 31 March 2015, in one or several tranches on such terms and conditions as may be decided by the Board, for acquisition of equity shares of the Company from the secondary market, for the purpose of implementation of the Mphasis Restricted Stock Units Plan 2015 (RSU 2015).

13. To consider and if thought fit, to pass, with or without modifications, the following resolution as a **SPECIAL RESOLUTION**:

RESOLVED THAT pursuant to the Provisions of Clause 49 of the Listing Agreement (the “Agreement”) and pursuant to the Policy of the Company on Related Party Transactions, approval of the members be and is hereby accorded, for entering into transactions, including Material Related Party Transactions, in the ordinary course of business at arms’ length price, whether by means of contracts/ arrangements or otherwise, from time to time, with Hewlett Packard Company, Palo Alto, USA and its subsidiaries, group companies, and associates (“HP”), being related parties as per Clause 49(VII)(B)(2) of the Agreement, in relation to transfer, providing, exchange or receipt of all or any of, goods, resources, obligations or services, from time to time, under the Standard Services Agreement dated 1 July 2009 entered between the Company and Hewlett Packard Company, Palo Alto, USA and Master Professional Services Agreement dated 1 May 2011 entered between the Company and HP Services (Singapore) Pte. Limited, provided such transactions, in the opinion of the Board of Directors of the Company, with HP are in the ordinary course of business and at arm’s length price.

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RESOLVED FURTHER THAT the Board be and is hereby authorized to decide either by itself or through delegation to Committee(s) or Chief Executive Officer, upon the exact nature and value and other terms and conditions, of the transfer, providing, exchange, or receipt of all or any of, goods, resources, obligations to be transacted with HP, from time to time, as referred hereinabove, provided the Board and/or the Committee or the Chief Executive Officer, as the case may be, is satisfied that the such transactions are in the normal course of business and at arm's length price.

RESOLVED FURTHER THAT the Board be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above resolution and to do all such acts, deeds, things as may be necessary in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings related thereto.

By order of the Board
For **Mphasis Limited**

A SIVARAM NAIR

Executive Vice President, Company Secretary,
General Counsel & Ethics Officer

Place : Bengaluru, India

Date : 29 July 2015

Registered Office:

Bagmane World Technology Center,
Marathalli Outer Ring Road, Doddanakhundi Village,
Mahadevapura, Bengaluru 560 048

CIN : L30007KA1992PLC025294

Telephone : 91 80 6695 5000

Fax : 91 80 6695 9943

Website : www.mphasis.com

e-mail : investor.relations@mphasis.com

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ADDITIONAL INFORMATION IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS BEING PROPOSED FOR APPOINTMENT/RE-APPOINTMENT

Particulars	Mr. Shankar Maitra	Mr. Stefan Antonio Lutz	Ms. Mary Teresa Hassett	Dr. Friedrich Froeschl	Mr. Davinder Singh Brar	Mr. Narayanan Kumar
DIN	6748985	6810434	6983782	2601362	68502	7848
Date of first appointment at the Board	5-Dec-13	12-Feb-14	30-Sep-14	30-Mar -09	8-Apr -04	15-Feb-13
Age	53 yrs	53 yrs	41 yrs	63 yrs	62 yrs	65 yrs
Qualifications	Commerce Graduate, FCA	Bachelor in Administrative Studies	Bachelor in Business Studies	PhD & Executive MBA	B.E. Electrical & Masters in Management	Electronic Engineering
Nature of expertise in specific functional areas	Finance, Management & Technology	Sales, Marketing & Management	Human Resources & Management	Technology & Management	Technology, Finance & Management	Technology, Finance & Management
Directorship/Committee membership in other Indian Public Limited Companies <small>Refer Note 1</small>	Nil	Nil	Nil	Nil	Refer below	Refer below

Name of the Director	Other Directorship in Indian Public Companies	Membership/ Chairmanship
Mr. Davinder Singh Brar	Maruti Suzuki India Limited*	Audit Committee Member
	Wockhardt Limited*	Audit Committee Member and Stakeholders Grievance Committee Member
	Gland Pharma Limited	Audit Committee
Mr. Narayanan Kumar	Bharti Infratel Limited*	-
	Entertainment Network (India) Limited*	Audit Committee Chairman
	Times Innovative Media Limited	Audit Committee Member
	Times Infotainment Media Limited	Audit Committee Member
	MRF Limited*	-
	Take Solutions Limited*	Stakeholders Grievance Committee Chairman

* listed companies

Notes:

1. Directorships in foreign companies and membership in governing councils, chambers and other bodies are not included.
2. Membership/Chairmanship in Audit Committee and Stakeholder Grievance Committees of other public companies is considered.
3. There is no inter-se relationship amongst the directors.
4. The above stated directors do not hold any shares of the Company.
5. The details of the number of Board and Committee meetings attended during the year are given in the Annual Report 2015.
6. The detailed profile of directors are disclosed in the Annual Report 2015 and are also hosted on the website of the Company at www.mphasis.com.

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Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND TO VOTE ON A POLL INSTEAD OF HIMSELF OR HERSELF AND A PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of the special businesses is annexed hereto and forms part of the Notice.
3. A person can act as a Proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. In case where proxies representing more than fifty (50) members or representing more than ten percent (10%) of the voting rights are received by the Company, the Proxy may choose the members to be represented and confirm the same to the Company at its registered office before 5 pm on 6 September 2015. In case the Company does not receive such confirmation, the Proxies appointed, within the aforesaid limit, in the order of receipt of proxy forms by the Company will be considered.
4. The copies of the Annual Report, Notice of Annual General Meeting (AGM) and dividend intimation are being sent to those members, through electronic mail (e-mail), who have registered their e-mail IDs with their Depository Participant (DP) or Registrar and Share Transfer Agent (RTA). Members are requested to update their preferred e-mail ID with the DP/RTA, as the case may be, which will be used by the Company for future communication.
5. The Company is pleased to provide remote e-voting facility (e-voting) to its members for voting on the resolutions placed before the members at this AGM. The members desirous of availing this e-voting facility are requested to read the instructions in relation to e-voting given after this section and comply with the instructions to cast their vote electronically. Members who are not able to avail the remote e-voting facility may cast their votes through postal ballot, being dispatched along with this notice of the AGM. Members are requested to read the instructions in the postal ballot form for casting the vote through postal ballot. The members who have not casted their vote through e-voting or through postal ballot can physically cast their vote through poll at the Annual General Meeting.
6. A Member can opt for only one mode of voting i.e. either through e-voting or in physical form. If a member casts his / her vote by both modes, then voting done through e-voting shall prevail and the vote by ballot shall be treated as invalid.
7. The Chairman of the Annual General Meeting shall at the end of discussion on all the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of Physical Ballot Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility or postal ballot.
8. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
9. The results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company, www.mphasis.com (<http://www.mphasis.com/CorporateGovernance.html>) and on the website of NSDL (www.evoting.nsdl.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchanges where the shares of the Company are listed. In addition, the results shall also be displayed on the Notice Board of the Company at the registered office and the corporate office at "Bagmane Laurel", Bagmane Technology Park, Byrasandra Village, C V Raman Nagar, Bengaluru 560 093, India.
10. Members / Proxies are requested to bring their copy of the Annual Report and the Attendance Slip sent herewith, duly filled, to the AGM.
11. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 27 August 2015, to Wednesday, 9 September 2015 (both days inclusive).
12. The dividend on equity shares as recommended by the Board of Directors for the year ended 31 March 2015, if approved at the Annual General Meeting, will be payable:
 - a. to those members holding shares in physical form, whose names appear on the Register of Members at the close of business hours on Wednesday, 26 August 2015, after giving effect to all valid transfers in physical form lodged with the Company and/or its Registrar & Share Transfer Agent on or before Wednesday, 26 August 2015; and

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- b. in respect of shares held in electronic form, on the basis of beneficial ownership as per the details furnished by National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) for this purpose at the close of business hours on Wednesday, 26 August 2015.
13. The unclaimed and unpaid final dividend for the year 2007-08, is due to be transferred to the Investor Education & Protection Fund in September 2015. Shareholders who are yet to claim the said dividend, are requested to submit their claims to the Registrar & Share Transfer Agent, viz., Integrated Enterprises (India) Limited.
 14. The Company has filed Form 5INV together with the details of the unclaimed dividend shareholders as prescribed. The same has also been uploaded on the website of the Company, www.mphasis.com.
 15. The question and answer session in relation to the Financial Accounts of the Company will be taken when the resolution in relation to Item No. 1 of the notice is in motion. The members will have an opportunity to raise their queries and/or provide their suggestions to the Board which will be responded to appropriately by the Chairman of the meeting.
 16. Shareholders intending to require information about the Financial Accounts, to be explained at the meeting, are requested to inform the Company atleast a week in advance of their intention to do so, so that the papers relating thereto may be made available, if the Chairman permits such information to be furnished.
 17. The following are the details of the transaction in the unclaimed suspense account which is used by the Company, for crediting the Unclaimed Shares, as per the provisions of listing agreement:

Unclaimed shares outstanding as at 1 April 2014	Unclaimed shares debited from the account during the period	Closing balance of shares as at 31 March 2015
18,150	Nil	18,150

18. The identity/signature of the members holding shares in demat form is liable for verification with specimen signatures as may be furnished by NSDL / CDSL, to the Company. Such members are advised to bring the relevant Identity Card issued by the Depository Participant.
19. Members are requested to notify any change in their address to the Company / Depository Participant as the case may be.
20. The shareholders are requested to communicate all their correspondence to:

Executive Vice President, Company Secretary, General Counsel & Ethics Officer, Mphasis Limited, Bagmane World Technology Center, Marathalli Outer Ring Road, Doddankhundi Village, Mahadevapura, Bengaluru - 560 048. e-mail: sivaram.nair@mphasis.com
 Ph: +91 (080) 67505000 Fax: +91 (080) 66959943.

OR

Integrated Enterprises (India) Limited, Unit: Mphasis Limited, No. 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru - 560 003. e-mail: giri@integratedindia.com Ph: +91 (080) 23460815 – 818. Fax: +91 (080) 23460819.

VOTING THROUGH ELECTRONIC MEANS

1. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members electronic voting (e-voting) facility to exercise their right to vote on resolutions proposed to be considered at the Twenty Fourth Annual General Meeting (AGM) by electronic means. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
2. The facility for voting through a physical ballot paper shall be made available at the AGM and the members attending the meeting, who have not cast their vote by remote e-voting or by postal ballot, shall only, be able to exercise their right to vote at the meeting through physical ballot paper.
3. The members who have cast their vote by remote e-voting or postal ballot may also attend the meeting but shall not be entitled to cast their vote again at the meeting.

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4. The remote e-voting period commences on Saturday, 5 September, 2015 at 9:00 AM and ends on Tuesday, 8 September 2015 at 5:00 PM. During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on Thursday, 3 September 2015, being the cut-off date, may cast their vote by remote e-voting. The remote e-voting module shall be forthwith blocked by NSDL after 5:00 PM on 8 September 2015. Vote casted once by the member shall not be allowed to be changed subsequently.
5. Any queries or grievances in relation to the electronic voting may be addressed to Mr. A Sivaram Nair, EVP, and Company Secretary, General Counsel and Ethics officer at the registered office of the Company or may be e-mailed to sivaram.nair@mphasis.com.
6. The process and manner for remote e-voting are as under:
 - a) In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
 - (i) Open e-mail and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as the password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "Mphasis Limited".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer, Mr. S P Nagarajan through e-mail to cs@nagarajsp818.com with a copy marked to evoting@nsdl.co.in
 - b. In case a member receives physical copy of the Notice of the AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
 - (i) Initial password is provided as below in the Postal Ballot Form:

EVEN (Remote e-voting)	Event Number	USER ID	PASSWORD/PIN
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 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
7. In case of any queries, you may refer the "Frequently Asked Questions (FAQs) for Members" and "Remote e-voting user manual for Members" available at the downloads section of www.evoting.nsd.com or call on toll free No.: 1800-222-990.
8. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
9. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
10. The voting rights of members shall be in proportion to their shares held in the Company as on the cut-off date, i.e. Thursday, 3 September 2015.
11. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Thursday, 3 September 2015, such member may obtain the login ID and password by sending a request at evoting@nsdl.co.in or giri@integratedindia.com (RTA).

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However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the toll free No.: 1800-222-990.

12. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting. A person who is not a member as on the cutoff date should treat this Notice for information purposes only.
13. Mr. S P Nagarajan (PCS No.4738) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

VOTING THROUGH POSTAL BALLOT

1. In compliance with provisions of Clause 35B of the Listing Agreement and in compliance with Companies (Management and Administration) Rules, 2014, the Company is also providing members who do not have access to remote e-voting facility, the facility to exercise their right to vote on resolutions proposed to be considered at the Twenty Fourth Annual General Meeting by Postal Ballot.
2. The Postal Ballot Form with instructions and the self-addressed business reply envelope will be dispatched to those shareholders who have not registered their email IDs with the Depositories/Company alongwith this notice of the AGM.
3. A member desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form and send it to the Scrutinizer in the attached self-addressed business reply envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballots if sent by Courier or by Registered Post at the expense of the registered shareholder will also be accepted.
4. The self-addressed envelope bears the address of the Scrutinizer, Mr. S P Nagarajan, Practicing Company Secretary (PCS No.4738) appointed by the Board of Directors of the Company at the meeting held on 29 July 2015.
5. The Postal Ballot Form should be completed and signed by the shareholder as per the Specimen signature registered with the Company. In case of joint holdings, this form should be completed and signed (as per the specimen signature registered with the Company) by the first named shareholder and in his/her absence, by the next named shareholder.
6. Postal Ballot Forms signed in the representative capacity of a body corporate, trusts, societies etc. must be accompanied by a certified true copy of the relevant authorization to vote on the Postal Ballot Form and Specimen Signature of the Authorized Signatory.
7. **Duly completed Postal Ballot Form should reach the Scrutinizer not later than close of working hours (5:00 pm) on Tuesday, 8 September 2015. Postal Ballot forms received after this date will be strictly treated as if the reply from the shareholder has not been received.**
8. **The right of voting by Postal Ballot shall not be exercised by a Proxy.**
9. Unsigned/Incorrect Postal Ballot Form will be rejected.
10. The postal ballots received from the shareholder shall be considered for vote only if such person is a member of the Company as on Thursday, 3 September 2015, being the cut off date fixed under the e-voting process.
11. Members can request for a duplicate copy of the Ballot Form, in case the original has been misplaced, lost or worn out etc., by sending an e-mail to cs@nagarajsp818.com by mentioning their Folio No./DP ID and Client ID No. However, the duly completed Ballot Forms should reach the Scrutinizer not later than Tuesday, 8 September 2015 (5.00 p.m. IST).
12. The vote must be cast by recording the assent in the column “For” or dissent in the column “Against” by placing a tick mark (✓) in the appropriate column in the postal ballot form. The assent or dissent received in any other form shall not be considered as valid. Postal Ballot Forms bearing tick (✓) mark in both the columns will render the form invalid.
13. Shareholders are requested not to send any other paper alongwith the Postal Ballot Form. They are also requested not to write anything on the Postal Ballot Form except giving their assent or dissent and putting their signature.
14. The Scrutinizer’s decision on the validity of a Postal Ballot Form will be final.

Annexure to Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

In conformity with the provisions of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the special business mentioned in the accompanying Notice and should be taken as forming part of the Notice.

Item No. 6:

Ms. Mary Teresa Hassett was appointed as an additional director on the Board of the Company on 30 September 2014. In terms of Section 161 of the Companies Act, 2013, the additional director holds office till the ensuing Annual General Meeting. The Company has received a notice from a member under Section 160 of the Companies Act, 2013, along with the requisite deposit, proposing the candidature of Ms. Mary Teresa Hassett to the office of directorship. Necessary resolution seeking approval of the members for her appointment is placed by means of an Ordinary Resolution. The profile of the director is hosted on the Company's website www.mphasis.com and is also contained in the Annual Report 2015.

The Nomination and Remuneration Committee and the Board of Directors recommend passing of the said resolution.

Interest of Directors and key managerial personnel:

The additional director referred above may be deemed to be interested in the above resolution to the extent of her appointment. None of the other directors and Key Managerial Personnel of the Company and their relatives are interested in the above resolution.

Item Nos. 7 to 9:

The Companies Act, 2013 and the rules made thereunder ("the Act"), which became effective from 1 April 2014, have brought various changes in the laws relating to Independent Directors ("IDs") in relation to their appointment, tenure, role, responsibilities etc. In terms of provisions of Section 149(10) of the Act, an ID shall hold office for a term upto five (5) consecutive years and as per Schedule IV of the Act, the appointment of IDs shall be approved at the meeting of shareholders. As per the provisions of Section 149(13), IDs shall not be liable to retire by rotation.

Pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreements entered into the Stock Exchanges, the Board of Directors at its meeting held on 30 July 2014, subject to approval of the shareholders, appointed Dr. Friedrich Froeschl (DIN: 2601362), Mr. Davinder Singh Brar (DIN: 68502) as Independent Directors effective 1 October 2014, and Mr. Narayanan Kumar (DIN: 7848) as Independent Director effective 1 April 2014. The Independent Directors shall hold office for a term of 5 (Five) consecutive years from the effective date of appointment and shall not be liable to retire by rotation.

The Company has received notice in writing under the provisions of Section 160 of the Act from members along with deposit of requisite amount proposing the candidature of the above directors to be appointed as Independent Directors under the provisions of Section 149 of the Companies Act, 2013.

All of above IDs are eminent personalities in their respective fields. Considering the vast experience and knowledge of IDs, the Board considers that their continued association would be of immense benefit to the Company. The Board, therefore, recommends the resolutions as set out in Item Nos. 7 to 9 of the Notice for approval of members as ordinary resolutions. Particulars of the qualifications, area of expertise and other details of the said Directors required under clause 49 of the Listing Agreement are provided in the Notice and the profile of such directors are detailed in the Annual Report and also hosted on the website of the Company at www.mphasis.com. The details of remuneration paid to each of the aforesaid Independent Directors are given in the Corporate Governance Report forming part of the Annual Report 2015.

Annexure to Notice

The IDs are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and have given their consent to act as directors. The Company has also received declaration from existing ID's that they meet with the criteria of independence as prescribed under Section 149(6) of the Companies Act 2013. In the opinion of the Board, all existing ID's fulfill the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as Independent Directors.

Copies of the letters for appointment of Independent Directors setting out the terms and conditions are available for inspection by the members at the registered office of the Company and also at the Corporate Office of the Company at "Bagmane Laurel" Bagmane Technology Park, Byrasandra Village, C V Raman Nagar, Bengaluru 560 093 on all working days (except Saturday and Sunday) during business hours till the date of this Annual General Meeting and are also hosted on the website of the Company at www.mphasis.com. The letters will also be open for inspection to the members during the Annual General Meeting.

Interest of Directors and key managerial personnel:

The Independent Directors, Dr. Friedrich Froeschl, Mr. Davinder Singh Brar and Mr. Narayanan Kumar may be deemed to be interested in the above resolutions to the extent of their appointment. None of the other directors and Key Managerial Personnel of the Company and their relatives are interested in the above resolution.

Item Nos. 10 to 12:

Restricted Stock Units (RSUs) are considered as an effective tool to attract and retain the best talent in the Industry. RSUs inter alia serves to motivate, reward and retain employees, attract specialists / senior professionals, recognize and reward exceptional performance and facilitate continued building of co-created organization. Accordingly, it is proposed to institute a new restricted stock unit plan for the senior executives.

The information as required under Clause 6.2 of the SEBI (Share Based Employee Benefits) Regulation, 2014, setting out the salient features of RSU 2015 and further explaining proposal is given below:

i. Brief Description of the scheme:

The Board of Directors in its meeting held on 29 July 2015, with the view of achieving management participation in the growth of the Company and to encourage value creation and value sharing with the senior executive employees, proposed to institute Mphasis Restricted Stock Units Plan-2015 (RSU 2015) and make grant of stock units thereunder. The units would be granted at the face value of ₹10/- per share. The equity shares arising out of the exercise of stock units are proposed to be acquired from the market through Mphasis Employees Benefit Trust. The RSU 2015 will conform to applicable SEBI Regulations and applicable provisions of the Companies Act, 2013.

ii. Total Number of stock units to be granted:

The aggregate stock units proposed to be granted under RSU 2015, from time to time, shall not exceed 2,500,000 equity shares of ₹ 10 each (or such other adjusted figure for any re-organization of capital structure).

iii. Identification of classes of employees entitled to participate in RSU 2015:

The Plan shall extend to all Senior Executive employees being the permanent employees on the rolls of the Company and its subsidiaries and its directors, as may be determined by the ESOP Compensation Committee (CC). The term Senior Executive means an employee who is:- (a) CEO; (b) comprises the leadership team of Mphasis reporting to CEO; (c) reporting to the leadership team; (d) Reporting to such direct reportees to the leadership team; and (e) Identified as Senior Executive Employees by the Board/Committee. The Plan shall not extend to any Promoter or those belonging to the Promoters Group or to any Director, who either by himself or through his relative(s) or through any Body Corporate, directly or indirectly holds more than 10% of the outstanding equity shares. The Plan shall also not extend to the Independent Directors of Mphasis Limited or its Subsidiaries.

Annexure to Notice

iv. Requirements of vesting, period of vesting and the maximum period within which the units shall be vested:

The continuation of an employee in the services of the Company shall be the primary requirement of the vesting. The minimum vesting period would be one year from the date of grant and the maximum vesting period shall be 36 months from the date of grant. Out of the RSUs vesting during any period, certain percentage of RSUs, to be determined by the Board/Committee thereof, in a tranches will be vested based on the performance criteria stipulated in the scheme to be framed in this behalf and approved by the Board/Committee.

v. Exercise price or pricing formula:

The Exercise Price per unit shall be the nominal value of the share i.e. ₹ 10 per unit.

As per Clause 17 of the SEBI (Share Based Employee Benefits) Regulation, 2014, the companies granting option to its employees pursuant to ESOS/RSU will have the freedom to determine the exercise price, subject to conforming to the accounting policies specified in Clause 15 of the aforesaid Regulations.

vi. Exercise period and process for exercise:

The units granted under RSU 2015 shall be exercisable within a period of 3 years from the date of vesting and shall be exercisable under such conditions as may be determined by the Compensation Committee from time to time.

On the expiry of the vesting period and fulfillment of vesting conditions, the RSU Grantee has the right to exercise the units either in full or in tranches at any time during the exercise period. The RSU Grantees may exercise units by addressing a communication to the CC as per the Form that may be prescribed by the CC from time to time.

The RSU Grantee, shall, at the time of exercise (a) mention the number of units that he/she is willing to exercise under the RSU-2015; (b) state his Demat Account details specifying Depository Participant (D.P.) ID No. and Client ID No. to which the equity shares shall be transferred; (c) tender an amount equal to the aggregate exercise price payable in respect of the units exercised; and (d) tender the amount of tax as may be applicable.

vii. The appraisal process for determining the eligibility of employees to the RSU 2015:

The stock units to be granted to Employees would be based on the appraisal procedure which shall be determined by Board/Committee on the basis of work performance, period of service, technical knowledge, managerial level, future potential etc. The Board/Committee may decide to extend the benefits of the Plan to new entrants or to existing employees on such basis as it may deem fit.

viii. Maximum number of units to be issued per employee and in aggregate and the maximum quantum of benefits to be provided per employee under the Plan:

The number of stock units that may be granted to any specific employee under the Scheme shall not exceed 1% of the issued and paid-up capital (excluding outstanding warrants and conversions) of the Company in any financial year. The total number of units to be granted shall not exceed 2,500,000 units (as adjusted for any changes in capital structure). The maximum benefits to be provided per employee shall be the same as the maximum stock units per employee provided hereinabove.

ix. Mode of Implementation of Scheme:

As the RSU 2015 involves acquisition of shares from secondary market, the RSU 2015 Plan shall be administered by Mphasis Employees Benefit Trust, an irrevocable registered Trust established inter-alia with the object of acquisition of shares from the market and holding such shares for the benefit of employees and to facilitate the employees of the Company to exercise the restricted stock units granted by the Company from time to time.

x. Acquisition of shares from the Market:

The RSU 2015 Plan primarily involves acquisition of shares by the Mphasis Employees Benefit Trust from the secondary market. However, in case the shares acquired from the secondary market are not eligible/are not sufficient to cover the number of shares to be issued upon exercise of units by the RSU grantees, the CC shall approve allotment of further shares to such option grantees.

Annexure to Notice

xi. The amount of loan to be provided for implementation of the scheme(s) by company to the trust, its tenure, its utilization, repayment terms, etc. :

The Company shall provision money, from time to time, to Mphasis Employees Benefit Trust which shall be utilized for the sole purpose of purchase of equity shares of the Company from the secondary market through stock exchange mechanism for RSU 2015. Such amount provisioned to the Trust, shall not exceed the statutory limit of 5% of the aggregate of paid up share capital and free reserves of the Company. The amount provisioned to the Trust for acquisition of shares shall be based on grants made under the RSU 2015 from time to time. The shares so acquired shall be held by the Trustees of the Mphasis Employees Benefit Trust for the benefit of RSU 2015 holders and shall be used for issuing shares upon exercise of units by the RSU 2015 holders.

The loan, if any, made to the Trust for cashless exercise of options, shall be repaid by the Trust based on the cash flows of the trust and the terms and conditions of the RSU 2015.

The following are the disclosures required under Rule 16 of Companies (Share Capital and Debentures) Rules 2014:

(a) The class of employees for whose benefit the scheme is being Implemented and the money is being provided for Purchase of shares:

The Plan shall extend to all Senior Executive employees being the permanent employees on the rolls of the Company and its subsidiaries and its directors, as may be determined by the CC. The employees proposed to be covered under RSU 2015 is more fully detailed in point (iii) above.

(b) The particulars of the Trust in whose favor such shares are to be registered, Particulars of Trust, Name, Address, Occupation and Nationality of the trustees and their relationship with the Promoters, Directors or Key Managerial Personnel:

The shares are to be registered in the names of the trustees of Mphasis Employees Benefit Trust situated at Bagmane World Technology Center, Marathalli Outer Ring Road, Doddankundi, Mahadevapura, Bengaluru 560 048, India. All the Trustees of the trust are employees of the Company and have Indian nationality. The Trustees are not related to the any of the Promoters, Directors or Key Managerial Personnel of the Company.

The following are the particulars of the Trustees of Mphasis Employees Benefit Trust:

Name	Address
Mr. Elango R	Bagmane World Technology Center
Mr. Ganesh V	Marathalli Outer Ring Road
Mr. Pradeep Kakaraddi	Doddankundi Village, Mahadevapura, Bengaluru – 560 048, India.

(c) Interest of Key Managerial Personnel, Directors and Promoters in the Plan or the Trust and effect thereof:

The Key Managerial Personnel (including the Whole Time Director) are interested in the RSU 2015 to the extent of grants to be made under RSU 2015. The Non-Executive Directors and Promoters do not have any interest in the RSU 2015 Plan or Mphasis Employees Benefit Trust.

(d) The detailed particulars of the benefits which will accrue to the employees from the implementation of the Plan:

Upon exercise of units under RSU 2015, the RSU holders will be entitled to be issued equity shares of the Company at the pre-determined exercise price as per the terms of the RSU 2015 Plan to be formulated.

(e) The details about who would exercise and how the voting rights in respect of the shares to be purchased under the Plan would be exercised:

In line with the requirements of the SEBI (Share Based Employee Benefits) Regulations, 2014, neither the ESOP Trust nor any of its Trustees will exercise voting rights in respect of the equity shares of the Company held by the Mphasis Employees Benefit Trust.

Annexure to Notice

xii. Maximum percentage of secondary market acquisition (subject to limits specified under the regulations) that can be made by the trust for the purpose of the scheme.:

The maximum percentage of secondary market acquisition to be made by the Trust under all schemes of the Company managed through the Trusts, shall not exceed 5% of the paid-up share capital of the Company as at 31 March 2015 (adjusted for any further allotment of shares and Corporate actions subsequent to this date) and the number of shares to be acquired from the market in a financial year shall not exceed 2% of the paid up share capital of the previous financial year relevant to the year in which such acquisition is made by the Trust.

xiii. Accounting Policies:

It is hereby confirmed that the Company shall comply with the accounting policies specified in Clause 15 of the SEBI regulations, in respect of the shares issued under RSU 2015.

xiv. Method of Valuation:

To calculate the employee compensation cost, the Company shall use the fair value method for valuation of the units granted. In case the Company follows the intrinsic value method for computing the compensation cost using the intrinsic value of stock option, the difference between the employee compensation cost so computed and employee compensation cost that shall have been recognized, if the Company had used fair value of the units shall be disclosed in the Board's Report and also the impact of the difference on the profits and the earnings per share of the Company shall also be disclosed by the Company in the Board's Report.

As per the SEBI Regulations, separate special resolutions are required to be passed by the members if:

1. The benefits of RSU 2015 as set out in the resolution No. 10 of this Notice are extended to the employees of the subsidiary companies.
2. The plan involves acquisition of shares from secondary market through the Trust.

Accordingly, separate special resolutions seeking the approval of the members for extending the benefits of RSU 2015 to the employees of subsidiary companies and for acquisition of shares from secondary Market by the Mphasis Employees Benefit Trust for implementation of RSU 2015, are also placed before the members.

The Board of Directors recommends the resolutions set out in Item Nos. 10 to 12 of the Notice for the approval of the members by means of special resolutions.

Interest of Director & Key Managerial Personnel

Mr. Balu Ganesh Ayyar, Chief Executive Officer, Mr. V Suryanarayanan, EVP & Chief Financial Officer and Mr. A Sivaram Nair, EVP, Company Secretary, General Counsel and Ethics Officer, may be deemed to be interested in the resolutions by virtue of being an employee of the Company. None of the other directors of the Company are interested in the resolutions.

Item No. 13:

Hewlett Packard Company ("HP"), is the ultimate holding company of Mphasis Limited (the "Company") and a Related Party as per the law. As per Clause 49 of the Listing Agreement, the contracts/arrangements/transactions relating to transfer, providing, exchange or receipt of all or any of, goods, resources, obligations or services (hereinafter referred to as "the transactions") between the Company and Hewlett Packard Company, Palo Alto, USA (HP) and its subsidiaries, group companies and associates (hereinafter referred to as "the HP Companies") are material in nature as the transactions exceed 10% of the annual consolidated turnover of the Company as per the audited financial statements of the Company as at 31 March 2015. Therefore approval of the non-promoter shareholders is required by means of a Special Resolution. The said transactions are also material related party transaction as per the Mphasis policy on Related Party Transactions, which is uploaded on the website of the Company at www.mphasis.com.

Annexure to Notice

The particulars of contract/ arrangements/transactions with HP Group of Companies are as under:

1. Name of Related Party:

- Hewlett Packard Company, Palo Alto, USA, and its subsidiaries and group companies, whether existing or hereinafter formed.
- HP Services (Singapore) Pte. Limited, Singapore.

2. Name of the Director and Key Managerial Personnel who is related, if any: Mr. James Mark Merritt, Mr. Stefan Antonio Lutz, Mr. Lakshmikanth K Ananth, Mr. Shankar Maitra and Ms. Mary Teresa Hassett, being directors nominated by HP may be deemed to be interested in the resolution.

3. Nature of relationship: HP is the ultimate holding company of the Company. Companies held between HP and Mphasis are the intermediate parent companies. All other HP Companies are associates of the Company.

4. Nature, material terms, monetary value and particulars of the contract or arrangement:

- Nature of Services:* Contracts/arrangements/ transactions relating to transfer, providing, exchange or receipt of all or any of, goods, resources, obligations or services in relation to Information Technology and/or Information Technology related services in the ordinary course of business and at arm's length basis and purchase and sale of fixed assets.
- Particulars of the Contract:* The Company has entered into Standard Services Agreement which entails HP Companies to purchase services from the Company and its subsidiaries in accordance with the terms thereof. The Company has also entered into a Master Professional Services Agreement with HP Services (Singapore) Pte. Limited (HP Singapore) for availing services from HP Singapore.
- Material Terms:
 - Tenure:* The Standard Services Agreement entered between the Company and HP, for provision of services to HP and its affiliates for itself or its Customers, expires on 28 February 2016 and HP shall have option of renewing this agreement further. The Master Professional Services Agreement entered into with HP Singapore, for provision of services to Mphasis Limited, expires on 29 February 2016 and HP Singapore shall have an option of renewing this in future.
 - Monetary Value:* the monetary value of the services is determined when the Statement of Work (SOWs) are negotiated and finalized and varies from transaction to transaction. The value of the transactions with HP and HP Singapore is disclosed under the Related Party schedule to the Financial Statements of the Company annually. The following are the details of the revenues from HP Channel and costs incurred with HP Singapore for the last three years:

(₹ Million)

Particulars	Year Ended 31 October 2013	5 months Financial Year Ended 31 March 2014	Year Ended 31 March 2015 (Refer Note)
Revenues from services provided to HP Group	26,052	9,698	19,904
% of Total Revenue	45%	37%	33%
Costs for services obtained from HP Group			
Software Development Charges	6.89	4.06	9.76
Software Support and AMC	776.75	246.03	228.04
Other Expenses	0.05	0.03	0.35
Total	850.10	263.98	238.15
% to Total Costs	7%	5%	2%

Note: HP Costs exclude reversal of accruals no longer required.

Annexure to Notice

The details of the material transactions with the related parties are also disclosed to the stock exchanges on a quarterly basis after announcement of the financial results. The above said agreements are available for inspection of the members during all working days at the registered office of the Company till the date of the Annual General Meeting and also at the corporate office of the company at "Bagmane Laurel", Bagmane Technology Park, Byrasandra village, C V Raman Nagar, Bengaluru-560 093, India. The copy of the agreement with HP and HP Singapore shall be placed before the members at the Annual General Meeting.

Interest of Directors and Key Managerial Personnel:

Mr. James Mark Merritt, Mr. Stefan Antonio Lutz, Mr. Lakshmikanth K Ananth, Mr. Shankar Maitra and Ms. Mary Teresa Hassett being Directors nominated by HP, and their relatives, may be deemed to be interested in the resolution. None of the other directors and Key Managerial Personnel of the Company and their relatives are interested in the above resolution.

By order of the Board
For **Mphasis Limited**

A SIVARAM NAIR

Executive Vice President, Company Secretary,
General Counsel & Ethics Officer

Place : Bengaluru, India

Date : 29 July 2015

Registered Office:

Bagmane World Technology Center,
Marathalli Outer Ring Road, Doddanakhundi Village,

Mahadevapura, Bengaluru 560 048

CIN : L30007KA1992PLC025294

Telephone : 91 80 6695 5000

Fax : 91 80 6695 9943

Website : www.mphasis.com

e-mail : investor.relations@mphasis.com



Mphasis Limited

Regd. Office: Bagmane World Technology Center, Marathalli Outer Ring Road, Doddanakhundi Village, Mahadevapura, Bengaluru – 560 048
CIN:L30007KA1992PLC025294; e-mail:investor.relations@mphasis.com; Website:www.mphasis.com;
Telephone:+91-080-66955000; Fax:+91-080-66959943

Twenty Fourth Annual General Meeting ATTENDANCE SLIP

Folio No. _____ DP ID : _____ Client ID : _____

Name and Address of the shareholder

I hereby record my presence at the Twenty Fourth Annual General Meeting of the Company held at 10:00 am on Wednesday, 9 September, 2015 at The Chancery Pavilion Hotel, No. 135, Residency Road, Bengaluru - 560 025.

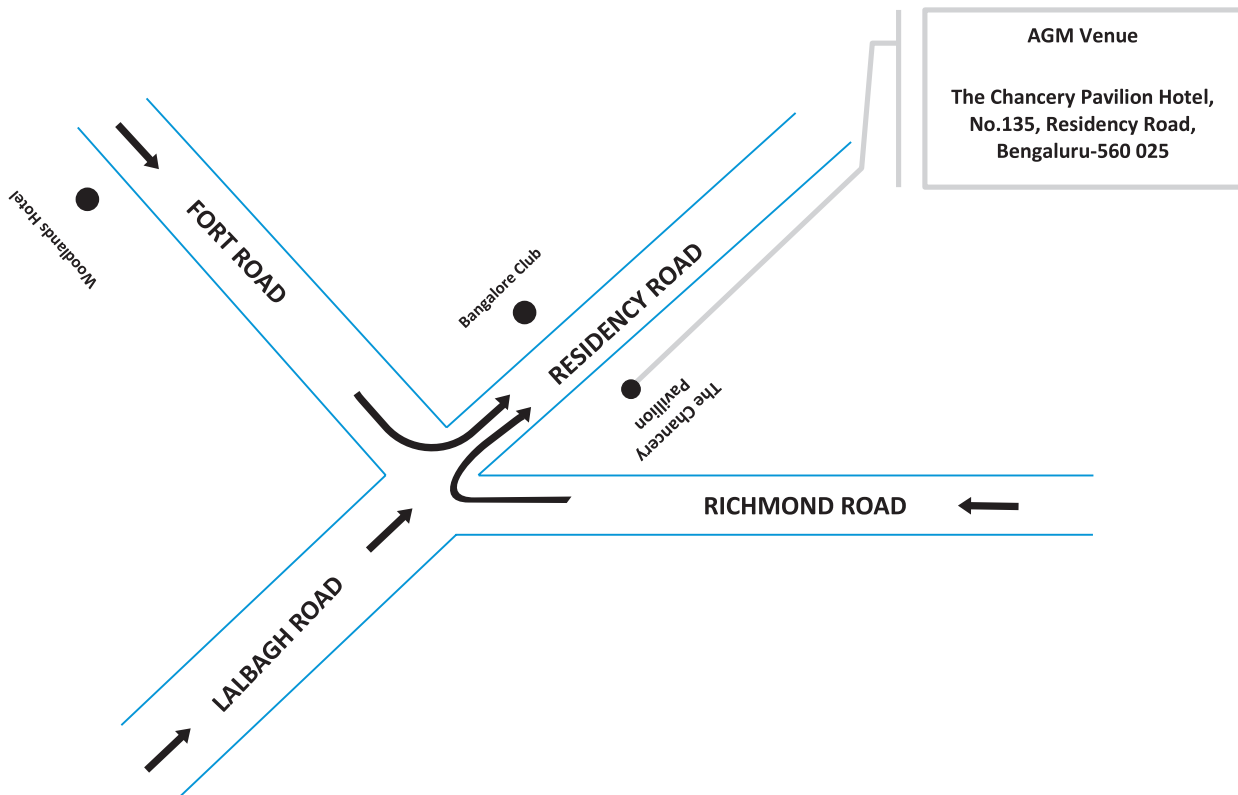
Name of the Shareholder (In Block Letters): _____

Signature of the Shareholder or Proxy: _____

Notes:

1. Please complete this attendance slip and hand it over at the entrance of the hall.
2. The registration counter will open at 8:30 am on the day of the Annual General Meeting.

Route Map for the 24th Annual General Meeting Venue



Map not to Scale

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Mphasis Limited

Regd. Office: Bagmane World Technology Center, Marathalli Outer Ring Road, Doddanakhundi Village, Mahadevapura, Bengaluru – 560 048.
CIN:L30007KA1992PLC025294; e-mail:investor.relations@mphasis.com; Website:www.mphasis.com;
Telephone:+91-080-66955000; Fax:+91-080-66959943

TWENTY FOURTH ANNUAL GENERAL MEETING PROXY FORM

Folio No.: _____ DP ID: _____ Client ID: _____ E-mail id: _____

Name of the member(s) :

Registered Address :

I/We, being the member(s) of _____ shares of the above named company, hereby appoint:

1. Mr./Ms./Miss _____ address _____,
e-mail id: _____ Signature*, or failing him/her

2. Mr./Ms./Miss _____ address _____,
e-mail id: _____ Signature*, or failing him/her

3. Mr./Ms./Miss _____ address _____,
e-mail id: _____ Signature*

* signature to be provided in the specimen signature column provided below.

as my/our proxy to attend and vote (on poll) for me/us and on my/our behalf at the Twenty Fourth Annual General Meeting of the Company to be held on Wednesday, the 9th day of September 2015 at 10.00 am at The Chancery Pavilion Hotel, No.135, Residency Road, Bengaluru - 560 025, India and at any adjournment thereof in respect of such resolutions as indicated below:

Resolution No.	Description	Tick the relevant item for which the Proxy is appointed
1	Adoption of Financial Statements	
2	Approval of dividend on equity shares	
3	Re-appointment of Mr. Shankar Maitra, who retires by rotation	
4	Re-appointment of Mr. Stefan Antonio Lutz, who retires by rotation	
5	Re-appointment of S R Batliboi & Associates LLP, Chartered Accountants, as Auditors and fixing their remuneration	
6	Appointment of Ms. Mary Teresa Hassett as a Director	
7	Appointment of Dr. Friedrich Froeschl as an Independent Director	
8	Appointment of Mr. Davinder Singh Brar as an Independent Director	
9	Appointment of Mr. Narayanan Kumar as an Independent Director	
10	Formulation of Mphasis Restricted Stock Units Plan 2015 (RSU 2015)	
11	Extending the RSU 2015 to the Senior Executives of the subsidiaries	
12	Purchase of equity shares of the Company by Mphasis Employee Benefit Trust for RSU 2015	
13	Material Related Party Transactions with HP, its subsidiaries and associates	

Signed this _____ day of _____ 2015.



Signature of the Shareholder

Specimen Signature of the proxy

Specimen Signature of the proxy

Specimen Signature of the proxy

Notes:

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY(IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY(IES) NEED NOT BE A MEMBER. THIS FORM OF PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING I.E. ON OR BEFORE 10:00 AM ON SUNDAY, 6 SEPTEMBER 2015.
- Please note that a proxy cannot represent more than 50 members and more than 10% of the voting rights of the Company.

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Mphasis Limited

Regd. Office: Bagmane World Technology Centre, Marathalli
Outer Ring Road, Doddanakundi Village, Mahadevapura,
Bengaluru - 560048 CIN: L30007KA1992PLC025294
Tel: 91 80 6695 5000 Fax: 91 80 6695 9943
Website: www.mphasis.com email: investor.relations@mphasis.com

Notice

Notice is hereby given that the 24th Annual General Meeting ("AGM") of Mphasis Limited will be held at 10:00 am on Wednesday, the 9 September 2015, at The Chancery Pavilion Hotel, No.135, Residency Road, Bangalore 560 025, India, to transact the Ordinary and Special Businesses contained in the Notice of the 24th AGM together with the additional information in respect of the Directors seeking re-election and the explanatory statement pursuant to the Companies Act, 2013 and that the Twenty Fourth Annual Report for the financial year ended 31 March 2015 together with the Notice of the AGM, is being dispatched physically or through electronic mail individually to the members of the Company at their registered addresses/e-mail IDs to those members whose names appear on the register of members/list of beneficial owners as at 24 July 2015. The Annual Report, Postal Ballot Form and the Notice of the Annual General Meeting are also being uploaded on the website of the Company; www.mphasis.com.

The Company is pleased to provide the facility to the Members to exercise their right to vote by electronic means (remote e-voting) on all resolutions as set out in the said Notice and has engaged National Depository Services Limited (NSDL) as the Agency to provide the e-voting facilities.

The Company is also providing Postal Ballot facility to the members who do not have access to e-voting facility. The Postal Ballot Form along with the self-addressed business reply envelope are also being dispatched to such shareholders. The facility for voting through the physical ballot paper shall also be made available at the AGM to the members who have not cast their vote by remote e-voting or by Postal Ballot.

In compliance with Section 108 of the Companies Act, 2013 and Rules thereunder as amended, read with Clause 35B of the Listing Agreement, Mr. S P Nagarajan, the Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.

The following is the schedule of events for Voting:

Date of completion of dispatch of Notice including Postal Ballot Forms	:	Saturday, 8 August 2015
Cut-off date for remote e-voting and postal ballot voting	:	Thursday, 3 September 2015
The date and time of commencement of remote e-voting	:	Saturday, 5 September 2015, at 9.00 am
Closing of remote e-voting and last date of receipt of postal ballot voting	:	Tuesday, 8 September 2015, at 5.00 pm
Declaration of results of voting	:	Forthwith, upon receipt of Scrutinizer report within three days from date of AGM i.e. not later than close of working hours, 6.00 pm on or before Saturday, 12 September 2015 at the registered office of the Company i.e. Mphasis Limited, Bagmane World Technology Center, Marathalli Outer Ring Road, Doddanakundi Village, Mahadevapura, Bangalore - 560 048. The results will also be hosted on the website; www.mphasis.com

The Notice of the AGM together with the postal ballot form is also uploaded on the website of the Agency, NSDL at <https://www.evoting.nsdl.com/>.

Notice is also hereby given that the Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 27 August 2015 to Wednesday, 9 September 2015 (both days inclusive).

NOTES:

- The members are requested to register their e-mail ids and changes therein, if any, with the depository participant with whom demat account is maintained to enable service of documents under electronic mode. Members holding shares in physical form are requested to send their e-mail ID details quoting their folio number/s to the company's registrar and share transfer agents: Integrated Enterprises (India) Limited, No.30, Ramana Residency, IV Cross, Malleswaram, Bangalore -560 003.
- Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice may obtain the login ID and password by sending a request at evoting@nsdl.co.in or giri@integratedindia.com and shall be entitled for availing postal ballot/remote e-voting facility as well as voting at the AGM through ballot paper. However, the vote of member will be considered only if such person is a member of the Company as at the cut-off date i.e. 3 September 2015. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.
- Any queries or grievances connected with the remote e-voting and postal ballot process, may please be addressed to Mr. A Sivaram Nair, EVP, Company Secretary, General Counsel & Ethics Officer, Mphasis Limited, Bagmane World Technology Center, Marathalli Outer Ring Road, Mahadevapura, Doddanakundi Village, Bengaluru -560 048, Ph:+91-080-67504613 or e-mailed to sivaram.nair@mphasis.com.
- The remote e-voting module shall be forthwith blocked by NSDL after 5.00 pm on 8 September 2015.
- A member may participate at the AGM even after exercising through remote e-voting/postal ballot but shall not be entitled to vote again through physical ballot paper at the AGM.
- Members who have opted for voting through postal ballot and have not received the postal ballot form may request for a duplicate copy of the postal ballot form by sending email to the Scrutinizer, cs@nagarajsp818.com or write to Mr. S P Nagarajan, Scrutinizer, Mphasis Limited, Bagmane World Technology Park, Byrasandra Village, C V Raman Nagar, Bengaluru - 560 093.
- The duly completed postal ballot form should reach the scrutinizer not later than close of working hours (5.00 pm) on Tuesday, 8 September 2015 i.e 30 days from the dispatch. Postal Ballot forms received after this date will be strictly treated as invalid and no reply has been received by the member.
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND TO VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- Any member, who has received the Annual Report and the Notice through the e-mail, desires to obtain physical copy of the document may write to the Company Secretary at the Registered Office address.

For Mphasis Limited

Sd/-

A. Sivaram Nair
EVP, Company Secretary,
General Counsel & Ethics Officer

Place : Bengaluru
Date : 7 August 2015

S. P. NAGARAJAN M.Com., A.C.S., L.L.B.
Company Secretary

S-818, Eighth Floor,
South Block - Manipal Centre,
47, Dickenson Road,
Bangalore - 560 042
Telefax: 080- 41136320, 41141544
Mobile: 98453 84585
Email: cs@nagarajsp818.com
www.spnacs818.com

Compliance Certificate on Corporate Governance

To,
The Members of Mphasis Limited

I have examined the compliance of the conditions of Corporate Governance by Mphasis Limited ('the Company') for the financial year ended on 31st March 2015, as stipulated in Clause 49 of the listing agreements of the Company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. My examination was carried out in accordance with the Guidance Note on certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by The Institute of Company Secretaries of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliances of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of Company.

In my opinion and to the best of my information and according to the explanation given to me, the representations and all material disclosures made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement. It is further stated that no investor grievance is pending for the said financial year as per the records of the Company.

I further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: May 22, 2015
Place: Bangalore


S. P. NAGARAJAN
COMPANY SECRETARY
ACS: 10028
CP No.: 4738



ಸೂಚನೆ

ಎಂಫಿಸಿಸ್ ಲಿಮಿಟೆಡ್‌ನ 24ನೆಯ ವಾರ್ಷಿಕ ಸಾಮಾನ್ಯ ಸಭೆಯು (ಎಜಿಎಂ) ಬುಧವಾರ, 9ನೇ ಸೆಪ್ಟೆಂಬರ್ ಬೆಳಿಗ್ಗೆ 10 ಗಂಟೆಗೆ ದಿ ಚಾನ್ಸರಿ ಪವಿಲಿಯನ್ ಹೋಟೆಲ್, ನಂ. 135, ರೆಸಿಡೆನ್ಸಿ ರಸ್ತೆ, ಬೆಂಗಳೂರು - 560 025 ಈ ವಿಳಾಸದಲ್ಲಿ ಕಂಪನಿ ಕಾಯಿದೆ 2013ರ ಅನ್ವಯ ಡೈರೆಕ್ಟರುಗಳ ಮರು ಆಯ್ಕೆ ಹಾಗೂ ವಿವರಣಾತ್ಮಕ ಹೇಳಿಕೆ ಕುರಿತು ಹೆಚ್ಚುವರಿ ಮಾಹಿತಿ ಸೇರಿದಂತೆ 24ನೆಯ ಎಜಿಎಂನಲ್ಲಿನ ಸೂಚನೆಯಲ್ಲಿ ಇರುವಂತಹ ಸಾಮಾನ್ಯ ಹಾಗೂ ವಿಶೇಷ ವ್ಯವಹಾರಗಳನ್ನು ನಡೆಸಲು ಏರ್ಪಾಡು ಮಾಡಲಾಗಿದೆಯೆಂದು ಈ ಮೂಲಕ ಸೂಚನೆ ನೀಡಲಾಗುತ್ತಿದೆ. 31ನೇ ಮಾರ್ಚ್ 2015ಕ್ಕೆ ಕೊನೆಗೊಂಡ ಆರ್ಥಿಕ ವರ್ಷದ 24ನೆಯ ವಾರ್ಷಿಕ ವರದಿಯನ್ನು ಭೌತಿಕವಾಗಿ ಅಥವಾ ಎಲೆಕ್ಟ್ರಾನಿಕ್ ಮೇಲ್ ಮೂಲಕ, ವ್ಯಕ್ತಿಗತವಾಗಿ ಸದಸ್ಯರು ಕಂಪನಿಯಲ್ಲಿ 24 ಜುಲೈ 2015ರಲ್ಲಿಯಂತೆ ಸದಸ್ಯರ ರಿಜಿಸ್ಟ್ರೇಷನ್/ಸೌಲಭ್ಯತೆ ಮಾಲೀಕರ ಪಟ್ಟಿಯಲ್ಲಿ ಕಂಡುಬರುವ ಹೆಸರುಗಳನ್ನು ಸದಸ್ಯರು ರಿಜಿಸ್ಟ್ರೇಷನ್ ಮಾಡಿದ ವಿಳಾಸ/ಇಮೇಲ್ ಐಡಿಗಳಿಗೆ ಕಳುಹಿಸಲಾಗುತ್ತಿದೆ. ವಾರ್ಷಿಕ ವರದಿ, ಅಂಚೆ ಮತ ಪತ್ರ ಮತ್ತು ವಾರ್ಷಿಕ ಸಾಮಾನ್ಯ ಸಭೆಯ ಸೂಚನೆಗಳನ್ನು ಕಂಪನಿಯ ವೆಬ್‌ಸೈಟ್ www.mphasis.com ನಲ್ಲಿಯೂ ಕೂಡ ಅಪ್‌ಲೋಡ್ ಮಾಡಲಾಗುತ್ತಿದೆ.

ಸೂಚನೆಯಲ್ಲಿ ನಮೂದಿಸಿದಂತೆ ಎಲ್ಲಾ ನಿರ್ದೇಶಕರುಗಳಿಗೆ ಎಲೆಕ್ಟ್ರಾನಿಕ್ ಸಾಧನದ (ರಿಮೋಟ್ ಇ-ವೋಟಿಂಗ್) ಮೂಲಕ ತಮ್ಮ ಮತದಾನದ ಹಕ್ಕು ಚಲಾಯಿಸಲು ಸದಸ್ಯರುಗಳಿಗಾಗಿ ವ್ಯವಸ್ಥೆಯನ್ನು ಮಾಡಲಾಗಿದೆಯೆಂದು ಹಾಗೂ ಇ ಮತದಾನದ ವ್ಯವಸ್ಥೆ ಮಾಡಲು ಏಜೆನ್ಸಿಯಾಗಿ ನ್ಯಾಷನಲ್ ಡಿಪಾಸಿಟರಿ ಸರ್ವಿಸಸ್ ಲಿಮಿಟೆಡ್ (ಎನ್‌ಎಸ್‌ಡಿಎಲ್) ಇವರನ್ನು ನೇಮಿಸಲಾಗಿದೆಯೆಂದು ತಿಳಿಸಲು ಕಂಪನಿಯು ಸಂತಸ ಪಡುತ್ತದೆ.

ಇ-ಮತದಾನದ ಸಂಪರ್ಕ ಇಲ್ಲದಿರುವ ಸದಸ್ಯರುಗಳಿಗಾಗಿ ಕಂಪನಿಯು ಅಂಚೆ ಮತದಾನ ಪತ್ರಗಳನ್ನು ಕೂಡ ಒದಗಿಸುತ್ತಿದೆ. ಸ್ವ ವಿಳಾಸವುಳ್ಳ ವ್ಯವಹಾರದ ರಿಪ್ಲೈ ಲಕೋಟಿಯೊಂದಿಗೆ ಅಂಚೆ ಮತಪತ್ರಗಳನ್ನು ಆ ಬಗೆಯ ಶೇರುದಾರರಿಗೆ ಕಳಿಸಲಾಗುತ್ತಿದೆ. ರಿಮೋಟ್ ಇ ಮತದಾನದ ಮೂಲಕ ಅಥವಾ ಅಂಚೆ ಮತದಾನದ ಮೂಲಕ ತಮ್ಮ ಮತದಾನ ಮಾಡಿದ ಸದಸ್ಯರುಗಳಿಗಾಗಿ ಎಜಿಎಂ ಸ್ಥಳದಲ್ಲಿ ಭೌತಿಕ ಮತದಾನ ಪತ್ರದ ಮೂಲಕ ಮತದಾನದ ವ್ಯವಸ್ಥೆಯನ್ನು ಒದಗಿಸಲಾಗುತ್ತದೆ.

ಲಿಸ್ಟಿಂಗ್ ಒಪ್ಪಂದದ ಕ್ಲಾಸ್ 35 ಬಿಯೊದಿಗೆ ಓದಿಕೊಳ್ಳುವ, ನಿಯಮಾವಳಿಯಂತೆ ತಿದ್ದುಪಡಿ ಮಾಡಿದ ನಿಯಮಾವಳಿಗಳ ಹಾಗೂ ಕಂಪನಿ ಕಾಯಿದೆ 2013ರ ಸೆಕ್ಷನ್ 108ಕ್ಕೆ ಅನುಗುಣವಾಗಿ, ಉತ್ತಮ ಹಾಗೂ ಪಾರದರ್ಶಕ ರೀತಿಯಲ್ಲಿ ಮತದಾನದ ಪ್ರಕ್ರಿಯೆಗಳ ಸೂಕ್ತ ಪರಿಶೀಲನೆಗಾಗಿ ಪ್ರಾಕ್ಟೀಸಿಂಗ್ ಕಂಪನಿ ಸೆಕ್ರೆಟರಿಯಾಗಿರುವ ಶ್ರೀ ಎಸ್.ಪಿ. ನಾಗರಾಜನ್ ಅವರನ್ನು ಸ್ಯೂಟಿನೆನ್ಸರ್ ಆಗಿ ನೇಮಿಸಲಾಗಿದೆ.

ಮತದಾನಕ್ಕಾಗಿ ಘಟನಾವಳಿಗಳ ನಮೂದು ಈ ಕೆಳಕಂಡಂತೆ ಇರುತ್ತವೆ:

ಅಂಚೆ ಮತಪತ್ರ ಸೇರಿದಂತೆ ಸೂಚನೆಯ ವಿತರಣೆ ಸಂಪೂರ್ಣಗೊಳ್ಳುವ ಕೊನೆಯ ದಿನ	ಶನಿವಾರ, 8ನೇ ಆಗಸ್ಟ್ 2015
ರಿಮೋಟ್ ಇ-ಮತದಾನಕ್ಕೆ ಹಾಗೂ ಅಂಚೆಯ ಮೂಲಕ ಮತದಾನಕ್ಕೆ ಸ್ಥಗಿತದ ದಿನಾಂಕ	ಗುರುವಾರ, 3ನೇ ಸೆಪ್ಟೆಂಬರ್ 2015
ರಿಮೋಟ್ ಇ-ಮತದಾನದ ಆರಂಭದ ಸಮಯ ಮತ್ತು ದಿನಾಂಕ	ಶನಿವಾರ, 5ನೇ ಸೆಪ್ಟೆಂಬರ್ 2015ರಂದು ಬೆಳಿಗ್ಗೆ 9.00 ಗಂಟೆ
ರಿಮೋಟ್ ಇ-ಮತದಾನದ ಮುಕ್ತಾಯ ಹಾಗೂ ಅಂಚೆ ಮತದಾನದ ಪತ್ರಗಳ ಸ್ವೀಕಾರಕ್ಕೆ ಕೊನೆಯ ದಿನಾಂಕ	ಮಂಗಳವಾರ, 8ನೇ ಸೆಪ್ಟೆಂಬರ್ 2015ರಂದು ಸಂಜೆ 5.00 ಗಂಟೆ
ಮತದಾನದ ಫಲಿತಾಂಶಗಳ ಘೋಷಣೆ	ಕಂಪನಿಯ ರಿಜಿಸ್ಟ್ರೇಷನ್ ಕಚೇರಿಯಲ್ಲಿ ಅಂದರೆ ಎಂಫಿಸಿಸ್ ಲಿಮಿಟೆಡ್, ಬಾಗಮನೆ ವರ್ಲ್ಡ್ ಟೆಕ್ನಾಲಜಿ ಸೆಂಟರ್, ಮಾರ್ತಹಳ್ಳಿ ಹೋಲ ರಿಂಗ್ ರಸ್ತೆ, ದೊಡ್ಡನೆಕುಂದಿ ಗ್ರಾಮ, ಮಹದೇವಪುರ, ಬೆಂಗಳೂರು - 560 048. ಈ ವಿಳಾಸದಲ್ಲಿ ಎಜಿಎಂ ದಿನಾಂಕದಿಂದ ಮೂರು ದಿನಗಳೊಳಗೆ ಸ್ಯೂಟಿನೆನ್ಸರ್ ವರದಿ ಸ್ವೀಕರಿಸಿದ ತಕ್ಷಣ, ಹಾಗಿದ್ದರೂ ಶನಿವಾರ 12ನೇ ಸೆಪ್ಟೆಂಬರ್ 2015ರಂದು ಕಾರ್ಯದಿನ ಮುಗಿಯುವುದಕ್ಕಿಂತ ಮುನ್ನ ಅಂದರೆ ಸಂಜೆ 6 ಗಂಟೆಯೊಳಗೆ. ಫಲಿತಾಂಶಗಳನ್ನು www.mphasis.com ವೆಬ್‌ಸೈಟ್‌ನಲ್ಲಿಯೂ ಸಹ ಹಾಕಲಾಗುವುದು.

ಅಂಚೆ ಮತ ಪತ್ರದೊಂದಿಗೆ ಎಜಿಎಂ ಸೂಚನೆಯನ್ನು ಏಜೆನ್ಸಿಯಾದ ಎನ್‌ಎಸ್‌ಡಿಎಲ್‌ನ ವೆಬ್‌ಸೈಟ್ <https://www.evoting.nsdl.com/> ನಲ್ಲಿಯೂ ಕೂಡ ಅಪ್‌ಲೋಡ್ ಮಾಡಲಾಗಿದೆ.

ಸದಸ್ಯರುಗಳ ರಿಜಿಸ್ಟ್ರೇಷನ್ ಮತ್ತು ಕಂಪನಿಯ ಶೇರು ವರ್ಗಾವಣೆಯ ಪ್ರಸ್ತುತಿಗಳನ್ನು ಗುರುವಾರ, 27ನೇ ಆಗಸ್ಟ್ 2015ರಿಂದ ಬುಧವಾರ, 9ನೇ ಸೆಪ್ಟೆಂಬರ್ 2015ರ ವರೆಗೆ (ಈ ಎರಡೂ ದಿನಗಳು ಸೇರಿದಂತೆ) ಸ್ಥಗಿತಗೊಂಡಿರುತ್ತದೆ ಎಂಬುದಾಗಿಯೂ ಈ ಮೂಲಕ ಸೂಚನೆ ನೀಡಲಾಗುತ್ತಿದೆ.

ಟಿಪ್ಪಣಿಗಳು:

1. ಎಲೆಕ್ಟ್ರಾನಿಕ್ ವಿಧಾನದಡಿಯಲ್ಲಿ ದಾಖಲೆಗಳ ಸೇವೆಯನ್ನು ಸಾಧ್ಯವಾಗಿಸಲು ಡಿಮ್ಯಾಟ್ ಅಕೌಂಟ್ ನಿರ್ವಹಿಸುತ್ತಿರುವ ಡಿಪಾಸಿಟರಿ ಭಾಗಿದಾರರೊಂದಿಗೆ ತಮ್ಮ ಇಮೇಲ್ ಐಡಿಗಳನ್ನು ಹಾಗೂ ಬದಲಾವಣೆಗಳು ಇದ್ದರೆ ಅವುಗಳನ್ನು ರಿಜಿಸ್ಟ್ರೇಷನ್ ಮಾಡಿಸಲು ಸದಸ್ಯರಲ್ಲಿ ವಿನ್ಯಾಸಿಸುತ್ತೇವೆ. ಭೌತಿಕ ರೂಪದಲ್ಲಿ ಶೇರುಗಳನ್ನು ಹೊಂದಿರುವ ಸದಸ್ಯರು ತಮ್ಮ ಫೋಲಿಯೋ ನಂಬರುಗಳನ್ನು ಉಲ್ಲೇಖಿಸಿ, ಇಮೇಲ್ ಐಡಿ ವಿವರಗಳನ್ನು ಕಂಪನಿಯ ರಿಜಿಸ್ಟ್ರಾರಿಗೆ ಹಾಗೂ ಶೇರ್ ವರ್ಗಾವಣೆಯ ಏಜೆಂಟರು, ಇಂಟೆಗ್ರೇಟೆಡ್ ಎಂಟರ್‌ಪ್ರೈಸಸ್ (ಇಂಡಿಯಾ) ಲಿಮಿಟೆಡ್, ನಂ. 30, ರಮಣ ರೆಸಿಡೆನ್ಸಿ, ನಾಲ್ಕನೆಯ ಕ್ರಾಸ್, ಮಲ್ಲೇಶ್ವರಂ, ಬೆಂಗಳೂರು - 560 003 ಇವರಿಗೆ ಕಳುಹಿಸಲು ವಿನ್ಯಾಸಿಸುತ್ತೇವೆ.
2. ಸೂಚನೆಯನ್ನು ಕಳುಹಿಸಿದ ನಂತರ ಕಂಪನಿಯ ಶೇರುಗಳನ್ನು ಪಡೆದುಕೊಂಡು, ಕಂಪನಿಯ ಸದಸ್ಯರಾಗುವ ಯಾವುದೇ ವ್ಯಕ್ತಿಯು evoting@nsdl.co.in ಅಥವಾ giri@integratedindia.in ಗೆ ವಿನ್ಯಾಸಿಸುವ ಕಳುಹಿಸಿ, ಲಾಗಿನ್ ಐಡಿ ಮತ್ತು ಪಾಸ್‌ವರ್ಡ್ ಪಡೆದುಕೊಳ್ಳಬಹುದಲ್ಲದೆ, ಅವರು ಮತ ಪತ್ರದ ಮೂಲಕ ಎಜಿಎಂನಲ್ಲಿ ಮತದಾನ ಮಾಡುವುದೂ ಸೇರಿದಂತೆ ಅಂಚೆ ಮತ ಪತ್ರ/ರಿಮೋಟ್ ಇ-ಮತದಾನದ ವ್ಯವಸ್ಥೆ ಪಡೆಯಲು ಅರ್ಹರಾಗಿರುತ್ತಿದ್ದು ಹಾಗಿದ್ದರೂ, ಸ್ಥಗಿತದ ದಿನದಂದು ಅಂದರೆ 3ನೇ ಸೆಪ್ಟೆಂಬರ್ 2015ರಂದು ಅಂತಹ ವ್ಯಕ್ತಿಯು ಕಂಪನಿಯ ಸದಸ್ಯರಾಗಿದ್ದಿದ್ದ ಯಾವುದೇ ವ್ಯಕ್ತಿಗಳು ಈ ಸೂಚನೆಯನ್ನು ಕೇವಲ ಮಾಹಿತಿಯ ಉದ್ದೇಶಕ್ಕೆ ಎಂದು ಪರಿಗಣಿಸಬೇಕು.
3. ರಿಮೋಟ್ ಇ-ಮತದಾನ ಹಾಗೂ ಅಂಚೆ ಮತ ಪತ್ರದ ಪ್ರಕ್ರಿಯೆ ಕುರಿತಂತೆ ಯಾವುದೇ ವಿಚಾರಣೆ ಅಥವಾ ದೂರುಗಳಿದ್ದರೆ ಅವುಗಳನ್ನು ಶ್ರೀ ಎ. ಸಿವರಾಮ್ ನಾಯರ್, ಇವಿಪಿ, ಕಂಪನಿ ಸೆಕ್ರೆಟರಿ, ಜನರಲ್ ಕೌನ್ಸಿಲ್ ಅಂಡ್ ಎಕ್ಸಿಕ್ಯೂಟಿವ್, ಎಂಫಿಸಿಸ್ ಲಿಮಿಟೆಡ್, ಬಾಗಮನೆ ವರ್ಲ್ಡ್ ಟೆಕ್ನಾಲಜಿ ಸೆಂಟರ್, ಮಾರ್ತಹಳ್ಳಿ ಹೋಲ ರಿಂಗ್ ರಸ್ತೆ, ಮಹದೇವಪುರ, ದೊಡ್ಡನೆಕುಂದಿ ಗ್ರಾಮ, ಬೆಂಗಳೂರು-560 048 ಇವರಿಗೆ ಕಳುಹಿಸಬಹುದು ಅಥವಾ sivaram.nair@mphasis.com ಗೆ ಇ-ಮೇಲ್ ಕಳುಹಿಸಬಹುದು.
4. 8ನೇ ಸೆಪ್ಟೆಂಬರ್ 2015ರ ಸಂಜೆ 5.00 ಗಂಟೆಯ ನಂತರ ರಿಮೋಟ್ ಇ-ಮತದಾನದ ವಿಧಾನವನ್ನು ಎನ್‌ಎಸ್‌ಡಿಎಲ್ ತಕ್ಷಣ ಬ್ಯಾಕ್ ಮಾಡುವರು.
5. ರಿಮೋಟ್ ಇ-ಮತದಾನ/ಅಂಚೆ ಮತಪತ್ರದ ಮೂಲಕ ಮತ ಚಲಾಯಿಸಿದ ನಂತರವೂ ಸದಸ್ಯರು ಎಜಿಎಂನಲ್ಲಿ ಭಾಗವಹಿಸಬಹುದಾದರೂ ಎಜಿಎಂನಲ್ಲಿ ಭೌತಿಕ ಮತ ಪತ್ರದ ಮೂಲಕ ಮತ್ತೊಮ್ಮೆ ಮತ ಚಲಾವಣೆಗೆ ಅರ್ಹರಾಗಿರುತ್ತದ್ದಲ್ಲ.
6. ಅಂಚೆ ಮತದಾನವನ್ನು ಆರಿಸಿಕೊಂಡ ಸದಸ್ಯರು, ಅಂಚೆ ಮತಪತ್ರ ಸ್ವೀಕರಿಸದಿದ್ದರೆ, ಸ್ಯೂಟಿನೆನ್ಸರ್‌ಗೆ cs@nagarajsp818.com ಇ-ಮೇಲ್ ಕಳುಹಿಸುವ ಮೂಲಕ ಅಥವಾ ಶ್ರೀ ಎಸ್. ಪಿ. ನಾಗರಾಜನ್, ಸ್ಯೂಟಿನೆನ್ಸರ್, ಎಂಫಿಸಿಸ್ ಲಿಮಿಟೆಡ್, ಬಾಗಮನೆ ವರ್ಲ್ಡ್ ಟೆಕ್ನಾಲಜಿ ಪಾರ್ಕ್, ಬೈರಸಂದ್ರ ಗ್ರಾಮ, ಸಿ.ವಿ. ರಾಮನ್ ನಗರ, ಬೆಂಗಳೂರು 560 093 ಇವರಿಗೆ ಬರೆಯಿರಿ ಅಂಚೆ ಮತ ಪತ್ರದ ಪ್ರತಿಯನ್ನು ಕಳುಹಿಸಲು ವಿನ್ಯಾಸಿಸಬಹುದು.
7. ಸಂಪೂರ್ಣವಾಗಿ ಭರ್ತಿಮಾಡಿದ ಅಂಚೆ ಮತಪತ್ರವನ್ನು ವಿತರಿಸಿದ 30 ದಿನಗಳಲ್ಲಿ ಅಂದರೆ ಮಂಗಳವಾರ, 8 ಸೆಪ್ಟೆಂಬರ್ 2015ರಂದು ಕಾರ್ಯದಿನದ ಮುಕ್ತಾಯದೊಳಗೆ (ಸಂಜೆ 5.00ಗಂಟೆ) ಸ್ಯೂಟಿನೆನ್ಸರ್‌ಗೆ ತಲುಪತಕ್ಕದ್ದು. ಈ ದಿನಾಂಕದ ನಂತರ ಸ್ವೀಕರಿಸಿದ ಅಂಚೆ ಮತ ಪತ್ರಗಳನ್ನು ಖಂಡಿತವಾಗಿ ಅನೂರ್ಜಿತವೆಂದು ಹಾಗೂ ಸದಸ್ಯರಿಂದ ಉತ್ತರ ಬಂದಿಲ್ಲವೆಂದು ಪರಿಗಣಿಸಲಾಗುವುದು.
8. ಸಭೆಯಲ್ಲಿ ಭಾಗವಹಿಸಲು ಹಾಗೂ ಮತದಾನ ಮಾಡಲು ಅರ್ಹರಾದ ಸದಸ್ಯರು ಸ್ವತಃ ಹಾಜರಿರಲು ಬಯಸದಿದ್ದರೆ, ಸಭೆಯಲ್ಲಿ ಭಾಗವಹಿಸಿ ಮತದಾನ ಮಾಡಲು ಒಬ್ಬರು ಅಥವಾ ಹೆಚ್ಚಿನ ಪ್ರಾಕ್ಟೀಸಿಂಗ್ ನೇಮಿಸಬಹುದಲ್ಲದೆ, ಹಾಗೆ ನೇಮಿಸಲ್ಪಟ್ಟ ಪ್ರಾಕ್ಟೀಸಿಂಗ್ ಕಂಪನಿಯ ಸದಸ್ಯರಾಗಿರಬೇಕಿಲ್ಲ. ಪ್ರಾಕ್ಟೀಸಿಂಗ್ ಪರಿಣಾಮಕಾರಿಯಾಗಿರಲು, ಸಭೆಯ ಆರಂಭಕ್ಕೆ 48 ಗಂಟೆಗಳಿಗೆ ಹೆಚ್ಚಿಲ್ಲದಂತೆ ಕಂಪನಿಯ ರಿಜಿಸ್ಟ್ರೇಷನ್ ಕಚೇರಿಯಲ್ಲಿ ಸ್ವೀಕರಿಸಲ್ಪಟ್ಟಿರಬೇಕು.
9. ಇ-ಮೇಲ್ ಮೂಲಕ ವಾರ್ಷಿಕ ವರದಿ ಹಾಗೂ ಸೂಚನೆಯನ್ನು ಸ್ವೀಕರಿಸಿದ ಯಾವುದೇ ಸದಸ್ಯರು ದಾಖಲೆಯ ಭೌತಿಕ ಪ್ರತಿ ಪಡೆಯಲು ಬಯಸಿದರೆ ಆ ಕುರಿತು ರಿಜಿಸ್ಟ್ರೇಷನ್ ಆಫೀಸ್ ವಿಳಾಸದಲ್ಲಿ ಕಂಪನಿ ಸೆಕ್ರೆಟರಿಗೆ ಬರೆಯಬಹುದು.

ಎಂಫಿಸಿಸ್ ಲಿಮಿಟೆಡ್ ಪರವಾಗಿ

ಸಹಿ / -

ಬೆಂಗಳೂರು
7ನೇ ಆಗಸ್ಟ್ 2015

ಎ. ಸಿವರಾಮ್ ನಾಯರ್
ಇವಿಪಿ, ಕಂಪನಿ ಸೆಕ್ರೆಟರಿ, ಜನರಲ್ ಕೌನ್ಸಿಲ್ ಅಂಡ್ ಎಕ್ಸಿಕ್ಯೂಟಿವ್



Mphasis Limited

Regd. Office: Bagmane World Technology Center, Marathalli Outer Ring Road, Doddanakhundi Village, Mahadevapura, Bengaluru – 560 048.

CIN:L30007KA1992PLC025294; e-mail:investor.relations@mphasis.com; Website:www.mphasis.com;

Telephone:+91-080-66955000; Fax:+91-080-66959943

TWENTY FOURTH ANNUAL GENERAL MEETING POSTAL BALLOT FORM

Pursuant to Clause 35B of the Listing Agreement and in compliance with the Companies (Management and Administration) Rules, 2014

- SERIAL NUMBER :
- Name(s) of Shareholder(s) (including joint holders, if any) :
- Registered Address of the sole/first named Shareholder :
- Registered Folio No./ DP ID No./Client ID No. :
- Number of Shares Held e-voting details (as given below) :

EVEN (e-VOTING EVENT NUMBER)	User ID	Password

I/We do hereby exercise and cast my/our vote(s) in respect of the following resolutions to be passed at the 24th Annual General Meeting scheduled to be held at 10:00 am on Wednesday, 9 September 2015, at The Chancery Pavilion Hotel, No. 135, Residency Road, Bengaluru 560 025 through Postal Ballot, by sending my/our assent or dissent to the said resolutions by placing the tick (✓) mark at the appropriate box below:

Resolution No.	Description	Ordinary Resolution /Special Resolution	No. of shares	Assent (In favour)	Dissent (against)
1	Adoption of Financial Statements	Ordinary			
2	Approval of dividend on equity shares	Ordinary			
3	Re-appointment of Mr. Shankar Maitra, who retires by rotation	Ordinary			
4	Re-appointment of Mr. Stefan Antonio Lutz, who retires by rotation	Ordinary			
5	Re-appointment of S R Batliboi & Associates LLP, Chartered Accountants, as Auditors and fixing their remuneration	Ordinary			
6	Appointment of Ms. Mary Teresa Hassett as a Director	Ordinary			
7	Appointment of Dr. Friedrich Froeschl as an Independent Director	Ordinary			
8	Appointment of Mr. Davinder Singh Brar as an Independent Director	Ordinary			
9	Appointment of Mr. Narayanan Kumar as an Independent Director	Ordinary			
10	Formulation of Mphasis Restricted Stock Units Plan 2015 (RSU 2015)	Special			
11	Extending the RSU 2015 to the Senior Executives of the subsidiaries	Special			
12	Purchase of equity shares of the Company by Mphasis Employees Benefit Trust for RSU 2015	Special			
13	Material Related Party Transactions with HP, its subsidiaries and associates	Special			

Place :

Date :

(Signature of the Member)

NOTES :

- PLEASE REFER THE NOTICE OF THE 24TH ANNUAL GENERAL MEETING ENCLOSED HERewith FOR ANY FURTHER DETAILS.
- PLEASE READ THE INSTRUCTIONS CAREFULLY MENTIONED OVERLEAF BEFORE EXERCISING THE VOTE.


INSTRUCTIONS

1. In compliance with provisions of Clause 35B of the Listing Agreement and in compliance with Companies (Management and Administration) Rules, 2014, the Company is also providing members who do not have access to remote e-voting facility, the facility to exercise their right to vote on resolutions proposed to be considered at the 24th Annual General Meeting by Postal Ballot.
2. A member desiring to exercise vote by postal ballot may complete this Postal Ballot Form and send it to the Scrutinizer in the attached self-addressed business reply envelope. Postage will be borne and paid by the Company. However, envelopes containing postal ballots if sent by Courier or by Registered Post at the expense of the registered shareholder will also be accepted.
3. The self-addressed envelope bears the address of the Scrutinizer, Mr. S P Nagarajan, Practicing Company Secretary (PCS No.4738) appointed by the Board of Directors of the Company at the meeting held on 29 July 2015.
4. The Postal Ballot Form should be completed and signed by the shareholder as per the Specimen signature registered with the Company. In case of joint holdings, this form should be completed and signed (as per the specimen signature registered with the Company) by the first named shareholder and in his absence, by the next named shareholder.
5. Postal Ballot Forms signed in the representative capacity of a body corporate, trusts, societies etc. must be accompanied by a certified true copy of the relevant authorization to vote on the Postal Ballot Form and Specimen Signature of the Authorized Signatory.
6. **Duly completed Postal Ballot Form should reach the Scrutinizer not later than close of working hours (5:00 pm) on Tuesday, 8 September 2015. Postal Ballot Forms received after this date will be strictly treated as if the reply from the shareholder has not been received.**
7. **The right of voting by Postal Ballot shall not be exercised by a Proxy.**
8. Unsigned/Incorrect Postal Ballot Form will be rejected.
9. The postal ballots received from the shareholder shall be considered for vote only if such person is a member of the Company as on Thursday, 3 September 2015, being cut off date fixed under the e-voting process.
10. Members can request for a duplicate copy of the Ballot Form, in case the original has been misplaced, lost or worn out etc., by sending an e-mail to cs@nagarajsp818.com by mentioning their Folio No./DP ID and Client ID No. However, the duly completed Ballot Forms should reach the Scrutinizer not later than Tuesday, 8 September 2015 (5.00 p.m. IST).
11. The vote must be cast by recording the assent in the column "For" and dissent in the column "Against" by placing a tick mark (✓) in the appropriate column in the Postal Ballot Form. The assent or dissent received in any other form shall not be considered as valid. Postal Ballot Forms bearing tick (✓) mark in both the columns will render the form invalid.
12. Shareholders are requested not to send any other paper alongwith the Postal Ballot Form. They are also requested not to write anything on the Postal Ballot Form except giving their assent or dissent and putting their signature.
13. The Scrutinizer's decision on the validity of a Postal Ballot Form will be final.



**UNLEASH
THE NEXT**
DIGITAL CUSTOMER EXPERIENCE





Digital is All Encompassing
Intuitive and Reasoned
Global and Personal
Intangible and Real
Transformative and Preservative
Active and Potent
Legacy and Futuristic

DIGITAL is NOW.
DIGITAL is THE NEXT.





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FROM THE CEO

Dear Fellow Shareholders,

Digital Business is the next 'Industrial Revolution' and will cause tectonic shifts in the market place. This revolution will trigger significant changes in industry definitions, employment patterns, pecking order, and organisational structures.

During such stimulating times, our track record of excellence in customer experience and deep customer relationships will anchor our future success. Specialisation will be key and I am extremely thrilled that we undertook our transformation journey in 2011 to hyper-specialise and stay relevant.

Digital Technologies offer a spectrum of exciting possibilities. Business enterprises are investing heavily in customer interaction innovation and crafting next-gen customer experience. Mphasis Digital Customer Experience framework will enable business enterprises to leverage Digital Technologies in defining their end-to-end customer experience.

We continue to strengthen our position in technology by cultivating innovation through Mphasis Next Labs. Business and technology innovation, driven by Mphasis Next Labs, would be our focus. We aim to emphasise on co-creation with our customers and building leading edge pragmatic innovations.

The coming year, we continue to focus in select areas and deprioritise others. In-line with our strategy, we sustain our deep dive in Digital and changing Regulatory and Compliance environment. Relentless focus will enable our leadership to maximise returns. We are single mindedly working towards creating a best-in-class delivery ecosystem for our customers to enable their Digital roadmap.

Your company is focused on building a sustainable platform for ongoing success. I welcome you to join me as we 'Redefine the paradigm for business success together'.

Regards,



Ganesh Ayyar

Chief Executive Officer



UNLEASH THE NEXT

DIGITAL CUSTOMER EXPERIENCE

Financial Services
Largest multinational bank in the US
Digital Transformation

Insurance
American multinational insurance corporation
Digital Transformation

Manufacturing
Global specialist in energy management
Digital Transformation

Real Estate
Leading real estate company
Customer Insight as a Service



2014
Mphasis gets Silver Medal in the Best Contact Centre Awards

2015



Financial Services
Largest multinational bank in the US
Mobile Development

Retail
Second-largest automotive aftermarket parts retailer in the US
Customer Interaction Platform for Auto Technicians

Real Estate
America's largest privately owned home builder
CRM ADM Services

Life Sciences
American multinational pharmaceutical corporation
Mobile Development

Hospitality
American multinational corporation
Customer 360° Solution

Hospitality
European network of holiday villages
Customer Insight as a Service



Financial Services
Global investment management firm
Digital Transformation

Financial Services
Largest multinational bank in the US
Mobile Development

Financial Services
Largest US independent financial service advisors organisation
Customer Care Services

Insurance
Leading US insurance service provider
eCommerce Solution

Telecommunications
Canadian telecommunications company
Digital Coupons

Manufacturing
Manufacturer of consumer electronics
Mobile Development

Consumer Electronics
Japanese multinational corporation
Content Personalisation for Smart TV

2012
American financial institution's mobile app gets Financial Services Tech Award



Mobility Practice Formation

2011

Insurance
Largest multinational bank in the US
CRM ADM Services

Technology
Leading US health information systems provider
Portal Programme

Public Relations
Global market research and strategic consulting company
Customer Research Services

Publishing
French publishing company
Digital Publishing Platform

Manufacturing
Global multinational conglomerate
Enterprise Search

Life Sciences
Global American pharmaceuticals and health care company
Mobile Development



2013

Guest 360° Launch

UP Framework Launch

Customer Insight Launch

IC&A Launch

A Digital Customer Experience Journey



Start

1999



Financial Services
American multinational financial services corporation
Customer Service Application

Telecommunications
British multinational telecommunications services company
CRM Consulting & Deployment

Technology
Leader in microprocessor intellectual property
CRM Consulting & Deployment

Retail
Swiss multinational food and beverage company
Portal Programme

eBiz OS Launch

UE Practice Formation

2000

Financial Services
Leading Dutch bank
Portal Programme

Financial Services
Leading bank in India
Digital Transformation

Financial Services
Leading diversified Japanese financial institution
Digital Transformation



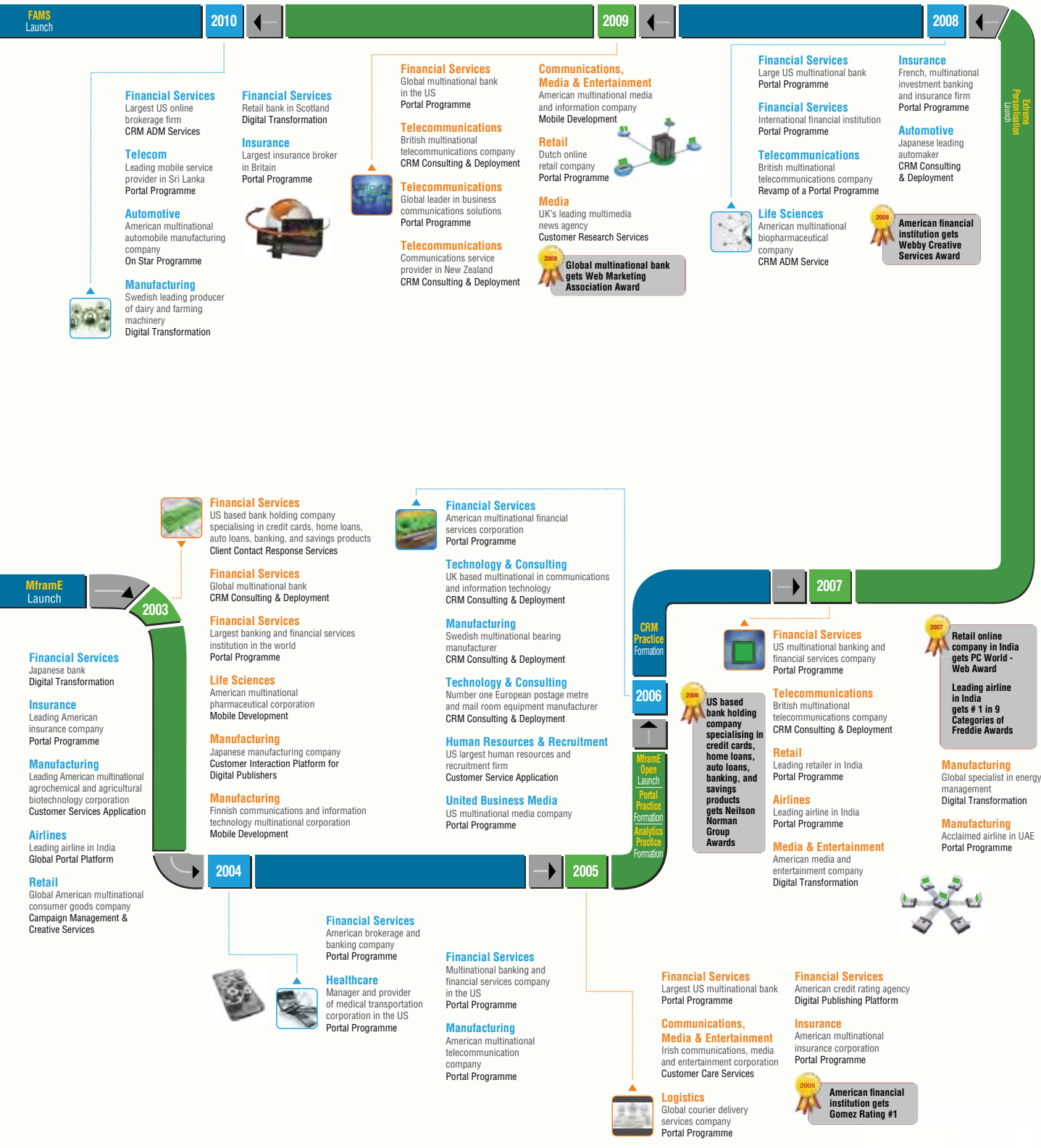
2001



Financial Services
Largest multinational bank in the US
Portal Programme

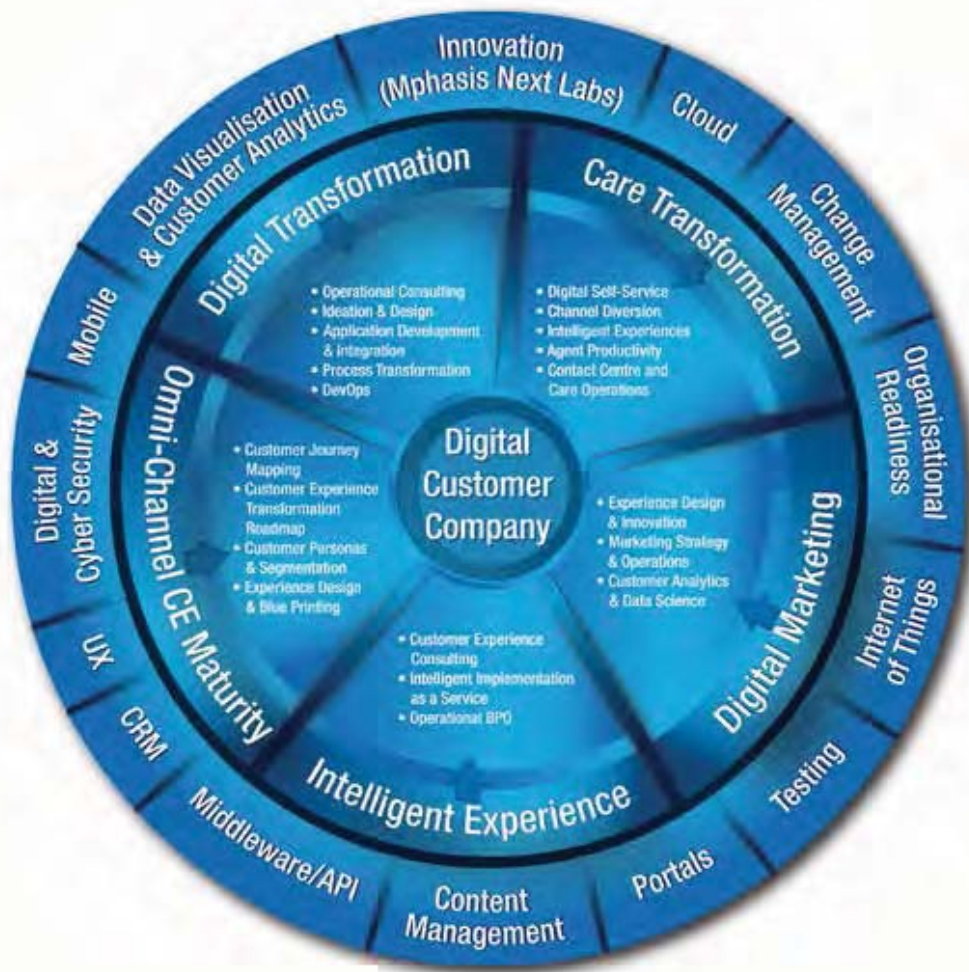
Financial Services
Global multinational bank
Global Portal Platform

Insurance
Leading bank in India
Digital Transformation



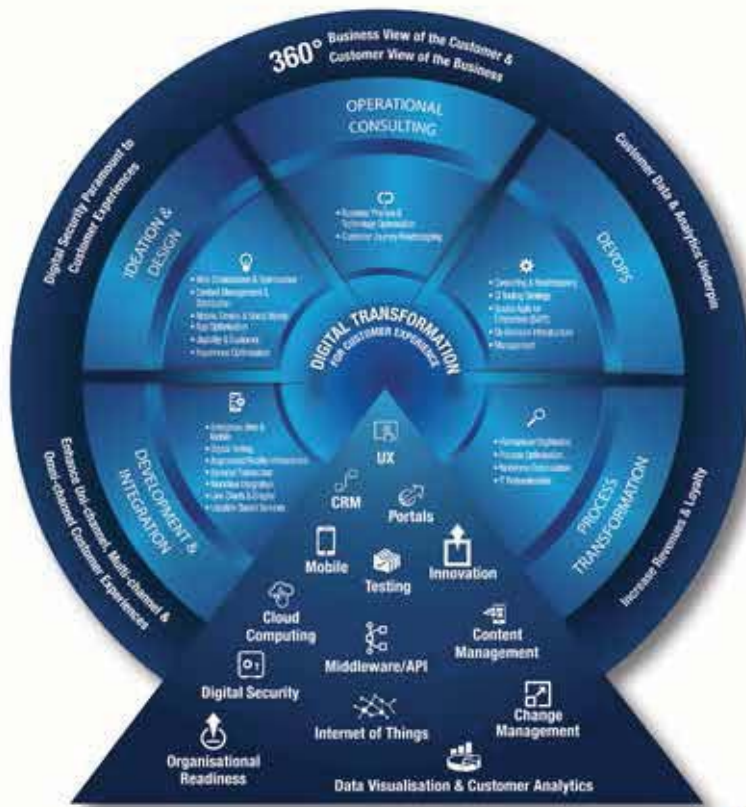






OUR OFFERINGS TO DELIVER THE DIGITAL CUSTOMER COMPANY

- 360° business view of the customer and 360° customer view of the business
- Digital security paramount to customer experiences, customer data and analytics underpin
- Enhance uni-channel, multi-channel and omni-channel customer experiences
- Increase revenues and loyalty
- Enhance productivity through new operating models
- Improve competitive positioning



Digital Transformation

Technology-enabled services and solutions to deliver integrated, omni-channel, data-driven, insightful, and personalised customer experiences across all connected devices such as smartphones, tablets, wearables, etc.

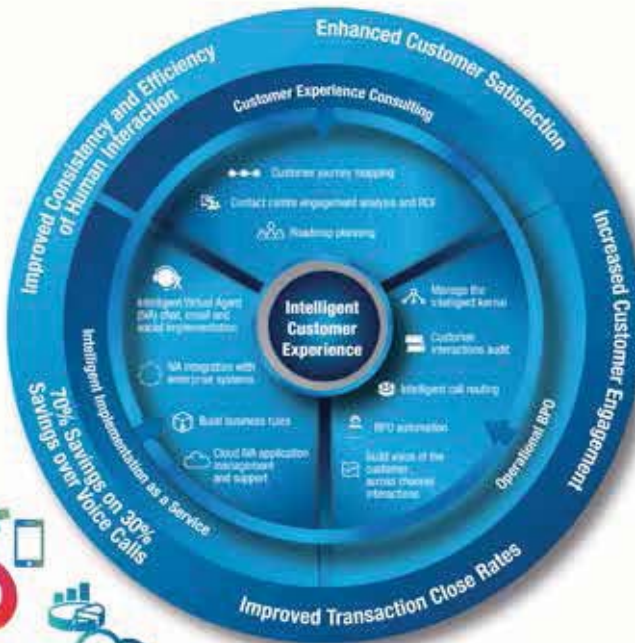
Digital Marketing

Successful targeting and deeper engagement with customers through intelligent insight and innovative experience solutions that deliver higher ROI and increase revenues

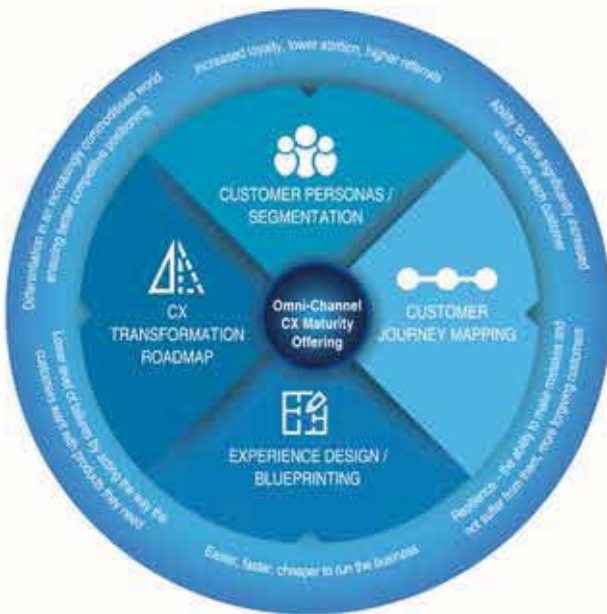


Intelligent Customer Experience

Digitising the Human and Humanising the Digital to provide guided "intelligent digital" and automated chat, email and social customer engagements



Care Transformation
 Reducing cost of care by 65% and faster time-to-market by 75%



Omni-Channel Customer Experience Maturity

Better competitive positioning leading to increased value for each customer

LEADING THE DIGITAL WAY

- Mphasis has executed 300+ Digital projects enabling over a billion users digitally, impacting trillions in revenue across industries
- Digital Partner of Choice for five Fortune 500 customers
- First to introduce Semantic technology to one of the largest banks in North America
- Chosen as one of the two partners for the next generation digital transformation programme of a global investment bank
- 150 member digital CoE for a global energy management company



SOCIAL MOBILE ANALYTICS AND CLOUD: AN AMALGAMATION INHERENT TO SOCIAL IMPACT

Mphasis supports the NASSCOM Social Innovation Forum (NSIF), India's leading Tech for Good Platform, using technology for social impact. As part of the technology driven community development, Mphasis is specifically focusing on three areas: enabling digital learning, digital education for supplementing financial inclusion, and solutions for the disadvantaged in mainstream economy.

Mphasis has partnered with Local Community Exchange Empowerment Trust (Lokalex) to deliver learning in H.D. Kote Taluk, Mysore, using technology which will enable local entrepreneurs to run and sustain it.

Mphasis also helps in using Social, Mobile, Analytics and Cloud (SMAC) Technologies for adaptive digital learning to improve learning vocational platforms in addition to increasing productivity, time and cost savings, generating income, enhancing livelihood, expanding customer base, and bridging the information gap. We believe Big Data via, SMAC Technologies will also make the NGO sector more efficient.







UNLEASH THE NEXT

DIGITAL CUSTOMER EXPERIENCE

26th MARCH, 2015
NEW YORK

Mphasis launched its Digital Customer Experience Offering & Solutions to a select audience comprising our esteemed customers from Fortune 500 companies, industry experts and gurus of customer experience management, our product technology partners and leadership team.

Kicked off with the opening address by our CEO Ganesh Ayyar, who spoke on how today's next-gen technology and disruptive devices are becoming a revolution that is going to be many times more impactful and faster than what we saw during the industrial revolution era.

Megan Burns (VP and Principal Analyst serving Customer Experience Professionals, Forrester) provided an industry perspective on customer experience management. Panel discussions comprising technology and business leaders across digital and technology space provided insights as they shared their learning, case studies and how their organisations are evolving to enhance customer experience.

The event concluded with real examples that were showcased in a completely enthralling digital environment, communicating Mphasis' commitment to help organisations transform into a "True Digital Company".



AWARDS AND ACCOLADES

April 24, 2015

CEO Ganesh Ayyar was recognised as most Innovative CEO and Mphasis for Global Technology Solution and Services in Innovation & Excellence Awards 2015 by Corporate Livewire

March 19, 2015

CFO V Suryanarayanan in CFO India's 5th Annual CFO100 Roll of Honour

July 2, 2014

Mphasian Bhavani Shankar Ravindra received the Aryabhata International Award

June 24, 2014

CIO MG Raghuraman voted among India's Best 50 CIOs – 2013

June 20, 2014

Silver Medal in the APAC Large Outsourced Contact Centre Category for the Best Contact Centre Awards, 2014

April 10, 2014

Recognised as Leader on the 2014 IAOP Global Outsourcing 100 List



BOARD OF DIRECTORS



Dr. Friedrich Froeschl
Chairman



Mr. James Mark Merritt
Vice Chairman



Mr. Balu Ganesh Ayyar
CEO & Executive Director



Mr. Davinder Singh Brar



Mr. Lakshmikanth K Ananth



Ms. Mary Teresa Hassett



Mr. Narayanan Kumar



Mr. Shankar Maitra



Mr. Stefan Antonio Lutz

EXECUTIVE VICE PRESIDENT, COMPANY SECRETARY GENERAL COUNSEL & ETHICS OFFICER

Mr. A Sivaram Nair

EXECUTIVE VICE PRESIDENT, CHIEF FINANCIAL OFFICER

Mr. V Suryanarayanan

AUDITORS

S.R. Batliboi & Associates LLP
'UB City' Canberra Block
12th and 13th Floor
24, Vittal Mallya Road
Bengaluru-560 001, India

REGISTERED OFFICE

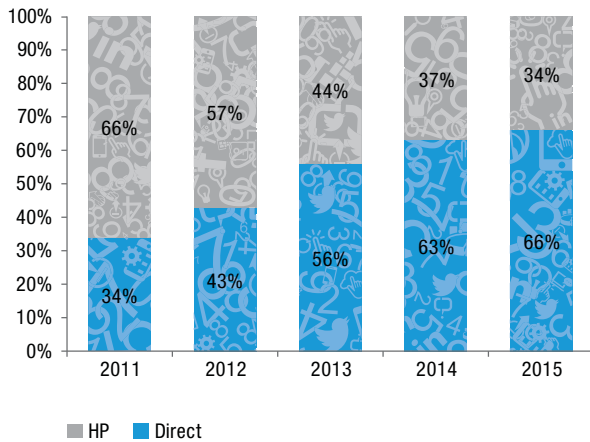
Bagmane World Technology Center
Marathahalli Outer Ring Road
Doddanakundi Village, Mahadevapura
Bengaluru-560 048, India
Ph: +91 80 6750 5000
Fax: +91 80 6695 9943
Website: www.mphasis.com
CIN: L30007KA1992PLC025294

REGISTRAR & SHARE TRANSFER AGENT

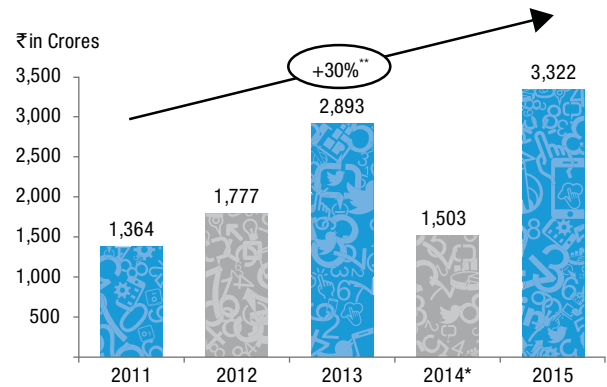
Integrated Enterprises (India) Limited
(Unit: Mphasis Limited)
30, Ramana Residency
4th Cross, Sampige Road, Malleswaram
Bengaluru-560 003, India
Ph: +91 80 2346 0815-818
Fax: +91 80 2346 0819
CIN: U65993TN1987PLC014964

KEY OPERATING METRICS

5-Year Trend: Client Concentration



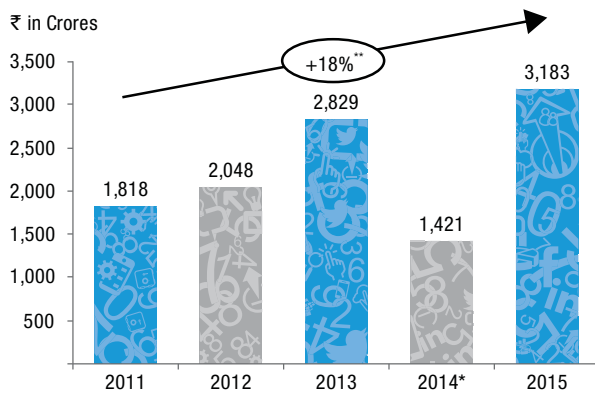
5-Year Trend: Direct Mature



* Revenue represents 5 months of operation

** Growth percentage represents CAGR from FY 2011-15

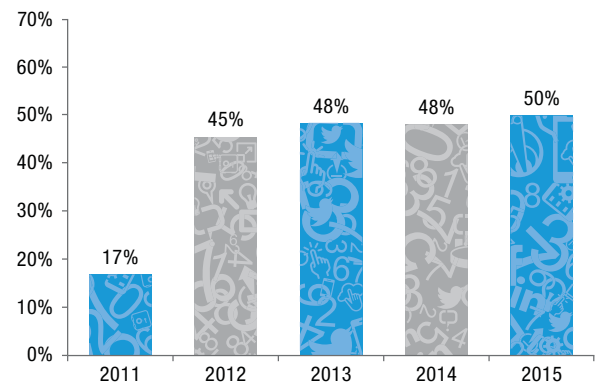
5-Year Trend: BCM and Insurance



* Revenue represents 5 months of operation

** Growth percentage represents CAGR from FY 2011-15

5-Year Trend: Dividend Payout %



Management Discussion and Analysis of Risks and Concerns

The complexity and competitive nature of the IT industry has brought diverse risks and opportunities to businesses. As well managed risks become opportunities, your Company has instituted an Enterprise Risk Management (ERM) program adhering to global standards, to proactively identify, mitigate, monitor and report those risks across the enterprise that have the potential to prevent your Company from meeting its business objectives. Broadly enterprise risks are managed under the following categories:

- i) **Strategy Risks** - These have the potential to impact the entity's mission which arises out of strategic decisions and its long term marketing, resource allocation, delivery models and other activities. These risks are generally non-routine in nature;
- ii) **Operational Risks** - These have the potential to impact the efficiency and effectiveness of the operations;
- iii) **Information Risks** - These have the potential to impact information assets and information processing systems;
- iv) **Financial & Reporting Risks** - These have the potential to impact on statutory financial statements and transmission of timely and accurate information to stakeholders;
- v) **Compliance Risks** - These have potential to expose the Company to statutory and legal action.

The Risk Governance Committee chaired by the CEO provides the required oversight for the ERM program and monitors the progress on various identified enterprise risks and mitigation efforts. The status of the risks faced by the enterprise is reviewed by the Board on a quarterly basis. Some of the important risks/concerns and mitigation plans are as follows:

Strategy Risks

Customer/Partner concentration risk

This risk arises when high percentage of revenue is received from very few clients/partners. HP Channel business which stood at 71% of the total revenue in 2010 was identified as one of important partner concentration risks. Your group implemented the 'Go To Market' strategy and focused in getting direct channel business. This has significantly reduced your Company's exposure towards dependency on HP Channel business which stands at 34% as on 31st March 2015, as against the direct business which is at 66% of the total revenue, thus mitigating this risk to a great extent.

The Group's intent is to further expand its direct business while continuing to explore partnership opportunities with HP.

Risk of Changing Business Model

The Group's ability to remain competitive depends on the ability to adapt to changing models of business delivery. Over the last 12 months the Group has focused on Digital, GRC and Customer Experience Management which has helped the Company to remain competitive by securing contracts in these areas.

Operational Risks

Lack of holistic due diligence of SLA terms and conditions

New business models, new service offerings and growing volume of operations, have brought risks related to delivery and adherence of SLA terms and conditions. The Group with its years of experience and complemented by our partnership with HP has implemented a framework to enhance the review and control mechanisms to ensure contractual terms are captured and complied with.

A Solution Risk Review team has been formed to undertake a review of all new deals. This team of experts approves SLA terms and conditions and ensures that the Company is not exposed to unlimited liabilities. Variance from solution to execution stage is also closely monitored to mitigate the risk of resource estimation errors.

Contract Management Risk

This was identified as an important risk as contractual terms bring legal binding on the Company and can adversely affect in many ways. To ensure that the terms of engagement are not vague, infeasible promises are not made and implementation is possible, a robust function has been created with adequate checks and balances to ensure that this risk is well mitigated.

Risk of Loss of Talent

To surmount challenges posed by the rapid changes in the industry, customer relationships and high quality service delivery have assumed even greater criticality to sustain performance and growth. Human capital is seen as the differentiator in achieving this. Your Company has ensured continuous improvement in the efficiency of core processes like Hiring, Employee Engagement, Key Talent management and Retention of critical employees.

Management Discussion and Analysis of Risks and Concerns

To manage this risk, your Company is building out a strong employee value proposition. Your Company is certified on PCMM (People Capability Maturity Model) that has helped build robust people processes. As a result of the above initiatives, your Company expects to maintain an optimal mix of manpower in terms of experience, knowledge and skill sets to balance quality and cost. Your Company has increased its investment in Learning and Development which has helped the Company to improve in this area.

Your organization identifies risk profiles of employees to initiate various steps to curb attrition and manage potential market variables. Assessing risk by categorizing employees into Critical, High Risk and Low Risk profiles and providing mitigation plans like role / project change, onsite assignments, salary increases and promotions have helped in maintaining the right workforce. Over and above this skill enhancement, building focus groups, internal job postings and recognition through various platforms are other initiatives taken by your organization.

Risk of Fraud

Instances of corporate fraud and misconduct remain a constant threat to public trust and confidence in the market. Your Company through various governance structures, internal audits and Whistleblower mechanisms has built a strong framework to detect and mitigate fraud risk.

Information Risks

Continuity and Disaster Recovery Risk

Increased disruptions due to manmade and natural calamities are posing a risk to the enterprise Information Technology infrastructure and in turn to the business operations. Recovery and availability of enterprise applications and infrastructure post any such disruptions have become critical for uninterrupted service delivery. In addition to implementing Disaster Recovery for the identified critical enterprise applications, your Company is certified on ISO 22301 which is an international standard for Business Continuity Management System (BCMS) and which provides reasonable assurance of continuity of service to the clients.

Data and Information Security Risk

With the advancement of technology and growing cyber threats, the industry is exposed to different types of risks related to information assets and data breaches. To mitigate these risks, your Company has implemented a robust IT Security framework and is also certified on ISO 27001. This is an International Standard on Information Security Management System (ISMS). This certification provides reasonable assurance to all concerned stakeholders that data protection and information security measures have been adequately implemented.

Privacy Risk Management

Governments across globe are enacting stringent Privacy Laws and your Company is exposed to the risk of privacy breaches and legal action as the nature of your Company's operation involves handling and processing such personal information of Customers and Clients. To mitigate this risk your Company has implemented Privacy Risk Management Framework to ensure that the Company complies to the stringent US and EU laws privacy requirements

Compliance Risks

Non-compliance with statutory requirements

With presence across multiple geographies your Group is subjected to multitudes of constantly changing legislations. There is a risk of non-compliance or delay in compliance with statutory requirements. The Group uses the services of professional consultants to ensure compliance with domestic and overseas laws and regulations. Your Company has also implemented tools and processes to ensure internal stakeholders of the Company are aware of statutory requirements and maintain required evidences to demonstrate that due care has been taken by your Company to ensure compliance.

Non-Compliance with Immigration Laws

The industry has seen increased scrutiny by various governments for non-compliance of Immigration laws. Your Company is equipped with the expertise to handle the complications of immigration laws and has processes to ensure compliance. In addition to a specialist internal team, your Company has enlisted external consultants, wherever necessary, to ensure proper compliance with these laws. Periodic immigration compliance reviews, training and awareness programs are facilitated on immigration requirements.

Consolidated Independent Auditor's Report

To the Members of Mphasis Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Mphasis Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at 31 March 2015, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2015, and their consolidated profit, and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding Company and financial information of its subsidiaries, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Consolidated Independent Auditor's Report

2. As required by section 143 (3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;
 - (c) The consolidated balance sheet, consolidated statement of profit and loss and the consolidated cash flow statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors of the Holding Company and subsidiary companies incorporated in India as on 31 March 2015 and taken on record by the Board of Directors of the Holding Company and of its subsidiaries respectively none of the directors of the Group's companies incorporated in India, is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 26 and 42 to the consolidated financial statements;
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 40 to the consolidated financial statements in respect of such items as it relates to the Group;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W

per Adarsh Ranka
Partner
Membership Number: 209567

Place : Santa Clara, U.S.A.
Date : 22 May 2015

Consolidated Independent Auditor's Report

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: The Group, comprising Mphasis Limited ('Holding Company') and its subsidiaries incorporated in India and to whom the provisions of the Order apply (together referred to as "the Covered entities" in this report)

- (i) (a) The Holding Company and certain Covered entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Holding Company and certain Covered entities have a regular programme of physical verification of fixed assets which, in our opinion, is reasonable having regard to the size of the Holding Company and the Covered entities of the Group and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified by the management during the year and we are informed that no material discrepancies were noticed on such verification.
- (ii) The business of the Holding Company and the Covered entities of the Group do not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Holding Company and the Covered entities of the Group.
- (iii) According to the information and explanations given to us and as per the financial information of Covered entities of the Group, the Holding Company and the Covered entities of the Group have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Covered entities of the Group and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us and as per the financial information of Covered entities of the Group, having regard to the explanation that purchases of certain fixed assets are of proprietary nature for which alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Holding Company and the Covered entities of the Group and the nature of its businesses, for the purchase of fixed assets and for the sale of services, to the extent applicable to the nature of the business of the Covered entities of the Group. During the course of our audit and as per the financial information of Covered entities of the Group, no major weakness was observed or continuing failure to correct any major weakness in the internal control system of the Holding Company and the Covered entities of the Group in respect of these areas.
- (v) The Holding Company and the Covered entities of the Group have not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained and per the financial information of Covered entities of the Group, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Holding Company and the Covered entities of the Group.
- (vii) (a) The Holding Company and Covered entities of the Group are regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues as applicable to the respective Covered entities. With regard to service tax dues, we also draw reference to note 15 to the financial statements.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable for the Holding Company and Covered entities of the Group.
- (c) According to the records of the Holding Company and the Covered entities of the Group as per the financial information of Covered entities in the Group, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Disputed Amount (₹ in million)	Amount paid under protest (₹ in million)	Bank guarantee provided under protest (₹ in million)	Period to which the amount relates (FY)	Forum where dispute is Pending
Income tax Act, 1961	Adjustment for transfer pricing and other disallowances	23.51	-	-	2010-11	DRP
		593.08	-	-	2010-11	In the process of filing before CIT (Appeals)
		0.32	-	-	2009-10	CIT (Appeals)
		1,182.96	500.00	-	2009-10	ITAT
		66.63	66.63	-	2008-09	CIT (Appeals)
		650.53	310.00	-	2008-09	ITAT
		171.12	148.55	-	2007-08	CIT (Appeals)
		620.72	422.53	-	2007-08	ITAT
928.20	443.44	-	2006-07	ITAT		

Consolidated Independent Auditor's Report

Name of the Statute	Nature of Dues	Disputed Amount (₹ in million)	Amount paid under protest (₹ in million)	Bank guarantee provided under protest (₹ in million)	Period to which the amount relates (FY)	Forum where dispute is Pending
		284.52	14.21	-	2005-06	ITAT
		338.72	123.76	-	2004-05	ITAT
		406.56	212.20	-	2003-04	ITAT
		5.23	5.23	-	2002-03	ITAT
Income tax Act, 1961	Disallowances under section 10A	1.56	-	-	2008-09	CIT (Appeals)
		15.49	-	-	2007-08	ITAT
		13.37	6.50	-	2005-06	Supreme court
		103.22	10.00	-	2001-02	Supreme court
	Adjustment for certain disallowances	0.98	-	-	2010-11	CIT (Appeals)
		2.60	-	-	2007-08	ITAT
		4.14	4.14	-	2003-04	ITAT
		12.43	12.43	-	2001-02	High Court of Karnataka
	Non-deduction of TDS	5,363.73	366.96	4,841.14	2005-06 to 2011-12	ITAT
	Finance Act, 1994	Service tax	21.92	7.30	-	2005 -2007
Central Sales Tax, 1956	Central Sales Tax/ interest/penalty	4.56	-	-	2009-10	JCCT (Appeals)
Maharashtra VAT Act, 2002	VAT/interest/ penalty	3.60	-	-	2009-10	JCCT (Appeals)
UP VAT Act, 2008	VAT	1.00	1.00	-	2009-2011	JCCT (Appeals)

- (d) According to the information and explanations given to us and as per the financial information of the Holding Company and Covered entities of the Group, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time to the extent applicable to the Holding Company and the Covered entities of the Group.
- (viii) The Holding Company and the Covered entities of the Group have no accumulated losses at the end of the financial year and have not incurred cash losses in the current and immediately preceding financial period/year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management and as per the financial information of the Holding Company and Covered entities of the Group, we are of the opinion that the Holding Company and Covered entities of the Group have not defaulted in their repayment of dues to a financial institution, bank or debenture holders.
- (x) According to the information and explanations given to us, the Holding Company and the Covered entities of the Group have not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Holding Company and the Covered entities of the Group did not have any term loans outstanding during the year.
- (xii) We report that during the year under audit the Holding Company and certain Covered entities have completed the ongoing investigation in case of infrastructure services and ATM businesses in India initiated in the previous year and noted certain frauds perpetrated by certain employees in earlier years relating to alliance of certain employees for attempt to change signatories, undisclosed conflict of interest, misrepresentation of facts and related other matters in awarding certain contracts/ settlement of balances pertaining to the aforesaid businesses. The concerned employees have been separated/terminated and the management has concluded the investigation. We are informed by the management that considering the nature of the matter, the financial impact is not ascertainable; however, there are no pending financial implications as of March 31, 2015.

For S.R. BATLIBOI & ASSOCIATES LLP
 Chartered Accountants
 ICAI Firm Registration Number: 101049W

per Adarsh Ranka
 Partner
 Membership Number: 209567

Place : Santa Clara, U.S.A.
 Date : 22 May 2015

Consolidated Balance Sheet as at 31 March 2015

(₹ millions)

	Notes	31 March 2015	31 March 2014
Equity and liabilities			
Shareholders' funds			
Share capital	3	2,101.48	2,101.42
Reserves and surplus	4	52,696.24	49,048.33
		54,797.72	51,149.75
Non-current liabilities			
Long-term borrowings	5	3,093.75	4,313.88
Deferred tax liabilities (net)	6	499.86	158.64
Other long-term liabilities	9	67.38	401.54
Long-term provisions	10	539.78	40.54
		4,200.77	4,914.60
Current liabilities			
Short-term borrowings	7	1,250.00	-
Trade payables	8	4,063.60	4,512.32
Other current liabilities	9	4,886.96	5,669.51
Short-term provisions	10	4,967.41	3,654.34
		15,167.97	13,836.17
TOTAL		74,166.46	69,900.52
Assets			
Non-current assets			
Fixed assets			
Tangible assets	11	1,166.03	1,574.33
Intangible assets	11	389.91	603.65
Capital work-in-progress		-	1.17
Intangible assets under development		204.28	58.81
Goodwill on consolidation	12	21,781.43	21,864.75
Non-current investments	13	2,498.98	5,409.10
Deferred tax assets (net)	14	825.62	968.12
Long-term loans and advances	15	6,714.95	6,376.51
Trade receivables	18	53.82	105.02
Other non-current assets	16	1,052.35	245.05
		34,687.37	37,206.51
Current assets			
Current investments	17	11,932.05	12,745.24
Trade receivables	18	6,252.02	7,778.25
Cash and bank balances	19	13,208.37	4,582.66
Short-term loans and advances	15	2,507.72	2,139.35
Other current assets	16	5,578.93	5,448.51
		39,479.09	32,694.01
TOTAL		74,166.46	69,900.52

Summary of significant accounting policies.

1

The accompanying notes are an integral part of the consolidated financial statements.
 As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
 ICAI Firm registration number: 101049W

per Adarsh Ranka
Partner
 Membership No. 209567

Santa Clara, U.S.A.
 22 May 2015

For and on behalf of the Board of Directors

Balu Ganesh Ayyar
Chief Executive Officer

V. Suryanarayanan
*Executive Vice President &
 Chief Financial Officer*

Santa Clara, U.S.A.
 22 May 2015

Narayanan Kumar
Director

A. Sivaram Nair
*Executive Vice President, Company Secretary
 General Counsel & Ethics Officer*

Consolidated statement of Profit and Loss for the year ended 31 March 2015

(₹ millions)

	Notes	Year ended 31 March 2015	Five Months 31 March 2014
Income			
Revenue from operations	20	57,948.05	25,938.30
Other income	21	1,967.40	522.02
Total revenue (I)		59,915.45	26,460.32
Expenses			
Employee benefits expense	22	35,869.40	16,273.99
Finance costs	23	279.15	111.38
Depreciation and amortization expense	11	980.70	503.85
Other expenses	24	13,377.76	5,288.55
Total expenses (II)		50,507.01	22,177.77
Profit before tax and exceptional item (III) [(I)-(II)]		9,408.44	4,282.55
Exceptional item (net of tax) (IV)			
Expected loss on proposed sale of a business unit (refer note 37)		-	64.41
Restructuring expenses		31.65	-
Profit before tax after exceptional item (III)-(IV)		9,376.79	4,218.14
Tax expenses (refer note 35)			
Current tax		2,141.74	1,014.75
Deferred tax charge		493.08	176.58
Minimum alternative tax credit entitlement (for earlier years)		(4.42)	-
Total tax expense		2,630.40	1,191.33
Profit for the year / period before exceptional item		6,778.04	3,091.22
Profit for the year / period after exceptional item		6,746.39	3,026.81
Earnings per equity share before exceptional item [nominal value of shares ₹ 10 (31 March 2014 : ₹ 10)]			
	30		
Basic (₹)		32.26	14.71
Diluted (₹)		32.20	14.69
Earnings per equity share after exceptional item [nominal value of shares ₹ 10 (31 March 2014 : ₹ 10)]			
	30		
Basic (₹)		32.10	14.40
Diluted (₹)		32.05	14.39

Summary of significant accounting policies.

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 The accompanying notes are an integral part of the consolidated financial statements.
 As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
 ICAI Firm registration number: 101049W

per Adarsh Ranka
Partner
 Membership No. 209567

Santa Clara, U.S.A.
 22 May 2015

For and on behalf of the Board of Directors

Balu Ganesh Ayyar
Chief Executive Officer

V. Suryanarayanan
*Executive Vice President &
 Chief Financial Officer*

Santa Clara, U.S.A.
 22 May 2015

Narayanan Kumar
Director

A. Sivaram Nair
*Executive Vice President, Company Secretary
 General Counsel & Ethics Officer*

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements of Mphasis Limited ('the Company') and its subsidiaries, collectively referred to as 'the Mphasis Group' or 'the Group', have been prepared and presented under the historical cost convention on the accrual basis of accounting, unless stated otherwise and comply in all material aspects with the Accounting Standards ('AS') notified under section 133 of the Companies Act, 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those of the previous period except for depreciation and amortization as described in the accounting policy on depreciation and amortization (refer note 11.1) and revenue recognition for certain unit priced contracts (refer note 39).

Use of estimates

The preparation of the financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the consolidated financial statements and the reported amounts of revenues and expenses for the year reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future years.

Basis of consolidation

The consolidated financial statements include the financial statements of Mphasis Limited and all its subsidiaries, which are more than 50% owned or controlled. Refer note 2 for the description of the Group.

The financial statements are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated financial statements as laid down under AS 21, Consolidated Financial Statements.

The consolidated financial statements of the parent company and subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting unrealised profits in full. Unrealised losses resulting from intra-group transactions have also been eliminated except to the extent that the recoverable value of related assets are lower than their cost to the Group. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the Parent Company and its share in the post-acquisition increase in the relevant reserves of subsidiaries.

Minority interest is the amount of equity attributable to minorities at the date on which investment in a subsidiary is made and its share of movements in the equity since that date.

Consolidated financial statements are prepared using uniform accounting policies across the Group.

Revenue recognition

The Group derives its revenues primarily from software services & projects, call centre and business & knowledge process outsourcing operations, infrastructure outsourcing services, licensing arrangement, application services and trading of goods.

Revenues from software services & projects comprise income from time-and-material and fixed price contracts. Revenue from time and material contracts is recognized when the services are rendered in accordance with the terms of contracts with clients. Revenue from fixed price contracts is recognized using the percentage-of-completion method, calculated as the proportion of the cost of effort incurred up to the reporting date to estimated cost of total effort.

Revenues from call centre and business & knowledge process outsourcing operations arise from both time-based and unit-priced client contracts. Such revenue is recognized when the services are rendered in accordance with the terms of the contracts with clients.

Revenues from infrastructure outsourcing services arise from time based, unit-priced and fixed price contracts. Revenue from time based and unit-priced is recognized when the services are rendered in accordance with the terms of the contracts with clients. Revenue from fixed price contracts is recognized using the percentage-of-completion method, calculated as the proportion of the cost of effort incurred up to the reporting date to estimated cost of total effort.

Revenues from licensing arrangements is recognized on transfer of the title in user licenses, except those contracts where transfer of title is dependent upon rendering of significant implementation services by the Group, in which case revenue is recognized over the implementation period in accordance with the specific terms of the contracts with clients.

Maintenance revenue is recognized rateably over the period of underlying maintenance agreements.

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

Revenues from sale of goods is recognized on transfer of significant risks and rewards in accordance with the terms of contract. Revenue is shown as net of sales tax, value added tax and applicable discounts.

Provisions for estimated losses on incomplete contracts are recorded in the period in which such losses become probable based on the current contract estimates. 'Unbilled revenue' included in the current assets represent revenues in excess of amounts billed to clients as at the balance sheet date. 'Unearned revenue' included in the current liabilities represent billings in excess of revenues recognized.

Advances received for services are reported as liabilities until all conditions for revenue recognition are met.

Interest income is recognized using the time-proportion method, based on underlying interest rates.

Dividend income is recognized when the right to receive the dividend is established.

Fixed assets and capital work-in-progress

Fixed assets are stated at the cost of acquisition or construction less accumulated depreciation and write down for, impairment if any. Direct costs are capitalised until the assets are ready to be put to use. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use, are capitalised. Fixed assets purchased in foreign currency are recorded at cost, based on the exchange rate on the date of purchase.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts are charged to the statement of profit and loss for the period during which such expenses are incurred.

Acquired intangible assets are capitalised at the acquisition price. Internally generated intangible assets are stated at cost that can be measured reliably during the development phase and capitalised when it is probable that future economic benefits that are attributable to the assets will flow to the Group.

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalised at the fair value of the asset or the present value of the minimum lease payments at the inception of the lease, whichever is lower.

Cost of assets not ready for use at the balance sheet date are disclosed under capital work-in-progress.

Goodwill arising on consolidation

The excess cost of its investment in subsidiaries over its portion of equity in the subsidiaries at the respective dates on which those subsidiaries were acquired, is recognized in the financial statements as goodwill. The equity in the subsidiaries is determined on the basis of the value of assets and liabilities as per the financial statements of the subsidiaries as on the date of acquisition.

Depreciation and amortization

Pursuant to the notification of Schedule II of the Companies Act, 2013 by the Ministry of Corporate Affairs effective 01 April 2014, the management has internally reassessed and changed, wherever necessary the useful lives to compute depreciation, to conform to the requirements of the Companies Act, 2013.

The comparison of useful lives is as follows:

(In years)

Asset	Useful life as per Companies Act, 2013	Revised useful life
Computer equipment	3	3
Furniture and Fixtures	10	5
Lease hold Improvements	10	10 or remaining primary lease term whichever is less
Office equipment	5	5
Plant and Machinery	15	7
Server and Networking equipments	6	6
Purchased software / Internally developed for self consumption	As per AS-26	Useful life of the asset
Internally developed software for sale	As per AS-26	Useful life of the asset
Vehicles	8	5

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

In respect of plant and machinery, furniture and fixtures and vehicles, the management basis internal assessment of usage pattern believes that the useful lives as mentioned above best represent the period over which management expects to use these assets. Hence the useful lives in respect of these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Project specific assets are depreciated over the period of contract or useful life of the asset, whichever is lower.

Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Profit or loss on sale and lease back arrangements resulting in operating leases are recognized immediately in case the transaction is established at fair value, else, the excess over the fair value is deferred and amortized over the period for which the asset is expected to be used. If the sale price is below fair value, any profit or loss is recognized immediately in the statement of profit and loss.

Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the year / period they occur.

Impairment of Tangible and Intangible Assets

The Group assesses at each balance sheet date whether there is any indication that a fixed asset, including goodwill, may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using the pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the assets. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. In respect of goodwill, the impairment loss will be reversed only when it was caused by specific external events and their effects have been reversed by subsequent external events.

Investments

Investments that are readily realisable and intended to be held for not more than a year, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis.

Long-term investments are carried at cost. Provision for diminution in the value of investments is made if the impairment is not temporary in nature.

Employee benefits

Gratuity, which is a defined benefit, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Contributions payable to recognized provident funds, which are defined contribution schemes, are charged to the statement of profit and loss. The Group's liability is limited to contribution made to the fund.

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

Mphasis Limited has established a Provident Fund Trust to which contributions towards provident fund are made each month. The Provident Fund Trust guarantees a specified rate of return on such contributions on a periodical basis. The Company will meet the shortfall in the returns, if any, based on actuarial valuation, as per Projected Unit Credit Method, as at the date of Balance Sheet [refer note 32 (b)].

Stock-based compensation (Equity settled)

Measurement and disclosure of the employee share-based payment plans is done in accordance with regulations issued by Securities Exchange Board of India ('SEBI') from time to time and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Group measures compensation cost relating to employee stock options using the intrinsic value method except for RSU Plan 2010, RSU Plan 2011, ESOP 2012 Plan and RSU Plan 2014 wherein compensation cost is measured based on fair valuation. Compensation expense is amortized over the vesting period of the option on a straight line basis.

Foreign currency

Foreign exchange transactions are recorded at the rates of exchange prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss of that year / period.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the exchange rates on that date. The resultant exchange differences are recognized in the statement of profit and loss. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate as at the date of the transaction.

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself.

The financial statements of foreign subsidiaries being non-integral operations in terms of para 24 of AS 11, Accounting for the Effects of Changes in Foreign Exchange Rates, are translated into Indian rupees as follows:

- a) Income and expense items are translated at the average exchange rates.
- b) Assets (including goodwill) and liabilities, both monetary and non-monetary are translated at the closing rate.
- c) All resulting exchange differences are accumulated in a foreign currency translation reserve which is reflected under Reserves and surplus until the disposal of the net investment.
- d) On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss.
- e) Contingent liabilities are translated at the closing rate.

Forward contracts are entered into to hedge the foreign currency risk of the underlying outstanding at the balance sheet date and also to hedge the foreign currency risk of firm commitment or highly probable forecast transactions. The premium or discount on forward contracts that are entered into to hedge the foreign currency risk of the underlying outstanding at the balance sheet date arising at the inception of each contract, is amortized as income or expense over the life of the contract. Any profit or loss arising on the cancellation or renewal of forward contracts is recognized as income or as expense for the year / period.

In relation to the forward contracts entered into, to hedge the foreign currency risk of the underlying outstanding at the balance sheet date, the exchange difference is calculated and recorded in accordance with paragraphs 36 and 37 of AS 11. The exchange difference on such a forward exchange contract is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date or the settlement date where the transaction is settled during the reporting year / period, and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences are recognized in the statement of profit and loss in the reporting year / period in which the exchange rates change.

The Group has adopted the principles of AS 30 "Financial Instruments: Recognition and Measurement" in respect of its derivative financial instruments (excluding embedded derivatives) that are not covered by AS 11 "Accounting for the Effects of Changes in Foreign Exchange Rates" and that relate to a firm commitment or a highly probable forecast transaction. In accordance with AS 30, such derivative financial instruments, which qualify for cash flow hedge accounting and where the Group has met all the conditions of AS 30, are fair valued at the balance sheet date and the resultant gain / loss is credited / debited to the hedging reserve included in the Reserves and Surplus. This gain / loss is recorded in the statement of profit and loss when the underlying transactions affect earnings. Other derivative instruments that relate to a firm commitment or a highly probable forecast transaction and that do not qualify for hedge accounting, have been recorded at fair value at the reporting date and the resultant gain / loss has been credited / debited to statement of profit and loss for the year / period.

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

Income taxes

The current charge for income taxes is calculated in accordance with the relevant tax regulations. Minimum Alternative Tax ('MAT') paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustments of future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal tax after the tax holiday period. MAT credit entitlement can be carried forward and utilised for a period as specified in the tax laws of the respective countries.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between taxable profits and accounting profits. Deferred tax in respect of timing differences which originate during the tax holiday period but reverse after the tax holiday period, is recognized in the period in which the timing differences originate. For this purpose, the timing difference which originates first is considered to reverse first. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of change in tax rates is recognized in the period that includes the enactment date. Deferred tax assets on timing differences are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. However, deferred tax assets on the timing differences when unabsorbed depreciation and losses carried forward exist, are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each balance sheet date. The legal entities within the Group offsets, on a year on year basis, the current and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

Provisions and contingent liabilities

A provision is recognized when an enterprise has a present obligation as result of past event and it is probable that an outflow of resources will be required to settle a reliably estimable obligation. Provisions are not discounted to present value and are determined based on best estimate required to settle each obligation at each balance sheet date.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting obligations under a contract exceed the economic benefits expected to be received, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the year / period by the weighted average number of equity shares outstanding during the year / period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The diluted potential equity shares have been arrived at, assuming that the proceeds receivable were based on shares having been issued at the average market value of the outstanding shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that would, if issued, either reduce future earnings per share or increase loss per share, are included.

Inventories

Inventory comprises of traded goods and is measured at lower of cost and net realisable value. Cost includes direct materials and related direct expenses. Cost is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost necessary to make the sale.

Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

2. DESCRIPTION OF THE GROUP

The Mphasis Group, a global, multicultural organisation headquartered in Bengaluru, India, specialises in providing a suite of application development and maintenance services, infrastructure outsourcing services and business & knowledge process outsourcing solutions to clients around the world.

Mphasis Limited has its registered office in Bengaluru. This is the flagship Company of the Group and is listed on the principal stock exchanges of India.

List of subsidiaries with percentage holding

Subsidiaries	Country of incorporation and other particulars	% of holding	
		31 March 2015	31 March 2014
Mphasis Corporation	a company organised under the laws of Delaware, USA	100	100
Mphasis Deutschland GmbH	a company organised under the laws of Germany	91	91
Mphasis Australia Pty Limited	a company organised under the laws of Australia	100	100
Mphasis (Shanghai) Software & Services Company Limited	a company organised under the laws of The People's Republic of China	100	100
Mphasis Consulting Limited	a company organised under the laws of United Kingdom	100	100
Mphasis Ireland Limited	a company organised under the laws of Ireland	100	100
Mphasis Belgium BVBA	a company organised under the laws of Belgium	100	100
Mphasis Lanka (Private) Limited [refer note 2.4]	a company organised under the laws of Sri Lanka	100	100
Mphasis Poland s.p.z.o.o.	a company organised under the laws of Poland	100	100
PT. Mphasis Indonesia	a company organised under the laws of Indonesia	100	100
Mphasis Europe BV	a subsidiary of Mphasis Corporation, organised under the laws of The Netherlands	100	100
Mphasis Infrastructure Services Inc. [refer note 2.2]	a subsidiary of Mphasis Corporation, organised under the laws of Delaware, USA	100	100
Mphasis Pte Limited	a subsidiary of Mphasis Europe BV, organised under the laws of Singapore	100	100
Mphasis UK Limited	a subsidiary of Mphasis Europe BV, organised under the laws of United Kingdom	100	100
Mphasis Software and Services (India) Private Limited	a subsidiary of Mphasis Europe BV, organised under the laws of India	100	100
Msource Mauritius Inc.	a subsidiary of Mphasis Europe BV, organised under the laws of Mauritius	100	100
Mphasis Wyde Inc.	a subsidiary of Mphasis UK Limited, organised under the laws of Delaware, USA	100	100
Mphasis Philippines Inc.	a subsidiary of Mphasis Pte Limited, organised under the laws of Republic of Philippines	100	100
Msource (India) Private Limited	a subsidiary of Msource Mauritius Inc., organised under the laws of India	100	100
Wyde Corporation Inc.	a subsidiary of Mphasis Wyde Inc., organised under the laws of Delaware, USA	100	100
Mphasis Wyde SASU (formerly Mphasis Wyde SAS)	a subsidiary of Wyde Corporation Inc., organised under the laws of France	100	100
Wyde Solutions Canada Inc.	a subsidiary of Wyde Corporation Inc., organised under the laws of Quebec, Canada	100	100
Wyde Tunisie SARL	a subsidiary of Mphasis Wyde SASU, organised under the laws of Tunisia	100	100
Digital Risk, LLC. [refer note 2.3]	a subsidiary of Mphasis Wyde Inc., organised under the laws of Delaware, USA	100	100
Digital Risk Mortgage Services, LLC. [refer note 2.3]	a subsidiary of Digital Risk, LLC., organised under the laws of Delaware, USA	100	100

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

Subsidiaries	Country of incorporation and other particulars	31 March 2015	31 March 2014
Digital Risk Compliance Services, LLC. [refer note 2.3]	a subsidiary of Digital Risk, LLC., organised under the laws of Delaware, USA	100	100
Digital Risk Analytics, LLC. [refer note 2.3]	a subsidiary of Digital Risk, LLC., organised under the laws of Delaware, USA	100	100
Investor Services, LLC. [refer note 2.3]	a subsidiary of Digital Risk, LLC., organised under the laws of Delaware, USA	100	100
Digital Risk Valuation Services, LLC. [refer note 2.3]	a subsidiary of Digital Risk, LLC., organised under the laws of Delaware, USA	100	100
Digital Risk Europe, OOD. [refer note 2.3]	a subsidiary of Digital Risk, LLC., organised under the laws of Bulgaria	100	100

All the above subsidiaries are under the same management.

2.1 Msource India BPO Private Limited has been dissolved and the name has been struck off from the register of Registrar of Companies effective 21 November 2013.

2.2 Mphasis Corporation, a subsidiary of the company, acquired Mphasis Infrastructure Services Inc. (formerly Fortify Infrastructure Services Inc.) along with its subsidiaries effective 01 May 2010 for an aggregate consideration of USD 27.74 millions (₹ 1,230.43 millions) including USD 12.50 millions payable in two tranches of USD 6.00 millions and USD 6.50 millions respectively upto the financial year ended 31 October 2012 on the basis of the fulfilment of certain revenue / earnings obligations.

As per the addendum to the Share Purchase Agreement, the date of fulfilment of revenue / earnings obligations was revised to 31 January 2013.

During the year ended 31 October 2012, Mphasis Corporation paid USD 5.89 millions (₹ 310.66 millions) as first tranche and balance USD 0.11 millions (₹ 5.75 millions) was adjusted with goodwill.

During the year ended 31 October 2013, Mphasis Corporation paid USD 4.30 millions (₹ 231.36 millions) as second tranche settlement and a second addendum was executed to settle the balance USD 2.20 millions (₹ 132.89 millions) as third tranche by 12 July 2013. Of the balance, USD 1.07 millions (₹ 64.63 millions) has been paid on 16 August 2013 and USD 1.13 millions (₹ 67.52 millions) had been adjusted with goodwill during the five months ended 31 March 2014.

2.3 During the year ended 31 October 2013, Mphasis Wyde Inc. acquired USA based Digital Risk LLC, on a cash free debt free basis for USD 175.00 millions (₹ 9,514.75 millions) with an additional maximum earn-out component of USD 27.00 millions (₹ 1,467.99 millions) payable in five tranches over next 30 months ending 31 July 2015. Accordingly, the financial statements of Digital Risk LLC and its subsidiaries have been consolidated into the consolidated financial statements effective 11 February 2013 resulting in goodwill of ₹ 10,169.54 millions on acquisition. First and second tranche liability of USD 5.40 millions each has been paid during the year ended 31 October 2013 (₹ 332.13 millions) and year ended 31 March 2015 (₹ 325.70 millions) towards earn-out liability. During the year ended 31 March 2015 earn-out liability of USD 14.40 millions (₹ 894.60 millions) has been reversed and adjusted to Goodwill.

2.4 On 22 July 2013 the Board of Directors of Mphasis Lanka (Private) Limited, a wholly owned subsidiary of Mphasis Limited, resolved to close down its operations.

2.5 The Board of Directors in its meeting held on 27 September 2013 had approved the scheme of amalgamation ('the scheme') of Mphasis Finsource Limited, a wholly owned subsidiary of the Company, carrying on the business of business process outsourcing, into the Company with effect from 1 April 2013. The Honourable High Court of Karnataka had passed orders approving the scheme on 19 June 2014. Upon filing of the orders of the Honourable High Court of Karnataka with the Registrar of Companies on 04 September 2014, the scheme became effective. This merger has no impact on the consolidated financial statements.

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

(₹ millions)

	31 March 2015	31 March 2014
3. SHARE CAPITAL		
Authorised shares		
245,000,000 (31 October 2014: 245,000,000) equity shares of ₹ 10 each	2,450.00	2,450.00
Issued, subscribed and fully paid-up shares		
210,140,823 (31 March 2014: 210,134,821) equity shares of ₹ 10 each fully paid-up	2,101.41	2,101.35
Add: Amount originally paid-up on forfeited shares	0.07	0.07
Total issued, subscribed and fully paid-up share capital	2,101.48	2,101.42

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	31 March 2015		31 March 2014	
	Number	₹ millions	Number	₹ millions
At the beginning of the year	210,134,821	2,101.35	210,127,099	2,101.27
Issued during the year / period – Employee stock option plans	6,002	0.06	7,722	0.08
Outstanding at the end of the year	210,140,823	2,101.41	210,134,821	2,101.35

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2015, the amount of per share dividend recognized as distributions to equity shareholders is ₹ 16.00 (Five months ended 31 March 2014: ₹ 7.00).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates (₹ millions)

	31 March 2015	31 March 2014
EDS Asia Pacific Holdings (Subsidiary of the ultimate holding company)	830.02	830.02
83,002,201 (31 March 2014: 83,002,201) equity shares of ₹ 10 each fully paid		
EDS World Corporation (Far East) LLC (Subsidiary of the ultimate holding company)	441.04	441.04
44,104,064 (31 March 2014: 44,104,064) equity shares of ₹ 10 each fully paid		
EDS World Corporation (Netherlands) LLC (Subsidiary of the ultimate holding company)	0.00	0.00
1 (31 March 2014: 1) equity share of ₹ 10 each fully paid		

The ultimate holding company is Hewlett-Packard Company, USA.

(d) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	31 March 2015	31 March 2014
Equity shares allotted as fully paid bonus shares by capitalization of securities premium / statement of profit and loss	1,400	4,600

In addition, the Company has issued total 214,710 shares (31 March 2014: 559,400) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

(e) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	31 March 2015		31 March 2014	
	Number	% of holding	Number	% of holding
EDS Asia Pacific Holdings, Mauritius	83,002,201	39.50	83,002,201	39.50
EDS World Corporation (Far East)	44,104,064	20.99	44,104,064	20.99
Aberdeen Asset Managers Limited A/C Aberdeen Global Indian Equity (Mauritius) Limited	17,765,301	8.45	18,500,000	8.80

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(f) Shares reserved for issue under options

For details of shares reserved for issue under the ESOP plan of the Company, refer note 4.

(₹ millions)

	31 March 2015	31 March 2014
4. RESERVES & SURPLUS		
Capital reserve		
Balance as per last financial statements	361.39	361.39
Closing balance	361.39	361.39
Capital redemption reserve	4.75	4.75
Securities premium account		
Balance as per last financial statements	1,556.08	1,555.22
Add: Premium on issue of shares	0.60	0.75
Add: Transferred from stock options outstanding	0.16	0.11
Closing balance	1,556.84	1,556.08
Employee stock options outstanding (refer note 36)		
Balance as per last financial statements	83.53	82.18
Add: Expense for the year / period	35.29	2.51
Less: Transferred to securities premium on exercise of options	0.16	0.11
Less: Exercise of options	11.91	1.05
Less: Reversal on forfeiture / lapse of options granted	0.01	-
Closing balance	106.74	83.53
General reserve		
Balance as per last financial statements	4,944.18	4,721.10
Add: Amount transferred from surplus balance in the statement of profit and loss	553.03	223.08
Closing balance	5,497.21	4,944.18
Hedging reserve		
Balance as per last financial statements	(177.29)	(1,092.15)
Add/ (Less): Transaction during the period/ year	583.68	527.14
Add/ (Less): Transfer to revenue	(145.32)	387.72
Closing Balance	261.07	(177.29)

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

(₹ millions)

	31 March 2015	31 March 2014
4. RESERVES & SURPLUS (Contd...)		
Foreign currency translation reserve		
Balance as per last financial statements	3,439.26	3,902.65
Add/ (Less): Movement during the period/ year	505.03	(463.39)
Closing Balance	3,944.29	3,439.26
Surplus in the statement of profit and loss		
Balance as per last financial statements	38,836.43	37,708.10
Profit for the year / period	6,746.39	3,026.81
Less: Appropriations		
Final dividend for earlier years	0.15	0.37
Proposed final equity dividend (amount per share ₹ 16.00 (Five months ended 31 March 2014: ₹ 7.00))	3,362.25	1,470.94
Tax on equity dividend	684.51	250.05
Depreciation and amortization expense (refer note 11.1)	18.93	-
Reversal of provisions pertaining to earlier acquisition	-	(45.96)
Transfer to general reserve	553.03	223.08
Total appropriations	4,618.87	1,898.48
Net surplus in the statement of profit and loss	40,963.95	38,836.43
Total reserves and surplus	52,696.24	49,048.33

Employee Stock Option Plans ('ESOP')-Equity settled

All the ESOPs are in respect of the Company's shares where each stock option is equivalent to one share. In accordance with the Guidance Note on "Accounting for Employee Share-based Payments" issued by the ICAI with effect from 1 April 2005, the necessary disclosures have been made for the year ended 31 March 2015 and five months ended 31 March 2014 for grants outstanding on and made on or after that date for each of the plans described below (refer note 31).

Employees Stock Option Plan-1998 (the 1998 Plan): The Company instituted the 1998 Plan for all eligible employees in pursuance of the special resolution approved by the shareholders in the Annual General Meeting held on 31 July 1998. The 1998 Plan provides for the issuance of 3,720,000 options to eligible employees as recommended by the ESOP Committee constituted for this purpose

In accordance with the 1998 Plan, the Committee has formulated 1998 Plan-(Version I) and 1998 Plan-(Version II) during the years 1998-1999 and 1999-2000 respectively.

1998 Plan-(Version I): Each option, granted under the 1998 Plan - (Version I), entitles the holder thereof with an option to apply for and be issued one equity share of the Company at an exercise price of ₹ 34.38 per share. The equity shares covered under these options vest at various dates over a period ranging from six to sixty-six months from the date of grant based on the length of service completed by the employee to the date of grant. The options are exercisable any time after their vesting period.

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

The movements in the options granted under the 1998 Plan (Version I) for the year ended 31 March 2015 and five months ended 31 March 2014 are set out below:

	Year ended 31 March 2015		Five months ended 31 March 2014	
	No. of Options	Weighted Average Exercise Price (₹)	No. of Options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning	47,000	34.38	47,000	34.38
Granted	-	-	-	-
Forfeited	-	-	-	-
Lapsed	-	-	-	-
Exercised	-	-	-	-
Options outstanding at the end	47,000	34.38	47,000	34.38
Exercisable at the end	47,000	34.38	47,000	34.38

The weighted average share price as at the date of exercise for stock options was ₹ Nil (31 March 2014: ₹ Nil). The options outstanding as at 31 March 2015 has an exercise price of ₹ 34.38 (31 March 2014: ₹ 34.38).

1998 Plan-(Version II): Commencing January 2000, the Company decided to grant all future options at the market price immediately preceding the date of grant. The equity shares covered under these options vest at various dates over a period ranging from twelve to forty-eight months from the date of grant based on the grade of the employee. However, in the case of options granted to the then Managing Director or Chief Executive Officer, the vesting period of the options, subject to a minimum period of one year from the date of grant, is determined by the ESOP Committee and approved by the Board. The options are to be exercised within a period of ten years from their date of vesting.

The movements in the options granted under the 1998 Plan - (Version II) for the year ended 31 March 2015 and the five months ended 31 March 2014 are set out below:

	Year ended 31 March 2015		Five months ended 31 March 2014	
	No. of Options	Weighted Average Exercise Price (₹)	No. of Options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning	213,632	90.18	311,688	84.70
Granted	-	-	-	-
Forfeited	-	-	-	-
Lapsed	96,100	66.95	93,648	71.50
Exercised	1,300	84.35	4,408	99.54
Options outstanding at the end	116,232	109.46	213,632	90.18
Exercisable at the end	116,232	109.46	213,632	90.18

The weighted average share price as at the date of exercise for stock options was ₹ 422.21 (31 March 2014: ₹ 386.35). The options outstanding as at 31 March 2015 has an exercise price ranging from ₹ 23.21 to ₹ 130.60 (31 March 2014: ₹ 23.21 to ₹ 130.60) and weighted average remaining contractual life of 1.23 years (31 March 2014: 1.51 years).

Employees Stock Option Plan-2004 (the 2004 Plan): At the Extraordinary General Meeting on 12 May 2004, the shareholders approved a new Employee Stock Option Plan. The 2004 Plan provides for the issuance of equity shares to employees and directors of the Company and its subsidiaries and for the exchange of outstanding stock options of Msource Corporation as on 20 September 2004, pursuant to its merger with Mphasis Corporation and the assumption of the Msource stock options by the Company.

The 2004 Plan is administered through the ESOP Committee appointed by the Board and comprises two programs. Under Program A, outstanding options of Msource Corporation were exchanged for options in the Company on the agreed exchange ratio of 0.14028 stock options with underlying equity shares of the Company for each stock option in the Msource 2001 plan, the exercise price being the equivalent amount payable by the option holder under the Msource 2001 plan. The equity shares underlying these options vest over a period up to forty-eight months from the date of assumption by the Company and shall be exercisable within a period of ten years from the original date of grant under the Msource 2001 plan.

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

Options under Program B represent fresh grants and will be issued to employees at an exercise price which shall be equal to the fair value of the underlying shares at the date of grant. The equity shares covered under these options vest over a period ranging from twelve to forty-eight months from the date of grant. The exercise period is two years from the date of vesting.

The movements in the options under the 2004 Plan for the year ended 31 March 2015 and the five months ended 31 March 2014 are set out below:

	Year ended 31 March 2015		Five months ended 31 March 2014	
	No. of Options	Weighted Average Exercise Price (₹)	No. of Options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning	7,642	118.24	10,956	117.98
Granted	-	-	-	-
Forfeited	-	-	-	-
Lapsed	350	117.36	-	-
Exercised	4,702	117.36	3,314	117.36
Options outstanding at the end	2,590	119.96	7,642	118.24
Exercisable at the end	2,590	119.96	7,642	118.24

The weighted average share price as at the date of exercise for stock options was ₹ 435.34 (31 March 2014: ₹ 380.75). The options outstanding as at 31 March 2015 has an exercise price ranging from ₹ 50.34 to ₹ 148.07 (31 March 2014: ₹ 50.34 to ₹ 148.07) and weighted average remaining contractual life of 2.02 years (31 March 2014: 2.75 years).

Employees Stock Option Plan-2012 (the 2012 Plan): Effective 14 March 2012, the Company instituted the 2012 Plan. The Board and the shareholders of the Company approved 2012 plan on 20 January 2012. The 2012 plan provides for the issue of restricted options to certain employees of the Company and its subsidiaries.

The 2012 plan is administered by the Mphasis Employees Benefit Trust which is created for this purpose. Each option, granted under this plan, entitles the holder thereof with an option to apply for and be issued one equity share of the Company at an exercise price of ₹ 410.25 per share. The equity shares covered under these options vest over a period ranging from twelve to twenty-four months from the date of grant. The exercise period is three years from the date of vesting.

The movements in the options under the 2012 plan for the year ended 31 March 2015 and the five months ended 31 March 2014 are set out below:

	Year ended 31 March 2015		Five months ended 31 March 2014	
	No. of Options	Weighted Average Exercise Price (₹)	No. of Options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning	436,600	410.25	456,800	410.25
Granted	-	-	-	-
Forfeited	-	-	15,050	410.25
Lapsed	62,000	410.25	5,150	410.25
Exercised	-	-	-	-
Options outstanding at the end	374,600	410.25	436,600	410.25
Exercisable at the end	374,600	410.25	436,600	410.25

The weighted average share price as at the date of exercise of stock option was ₹ Nil (31 March 2014: ₹ Nil). The options outstanding as at 31 March 2015 has an exercise price ₹ 410.25 (31 March 2014: ₹ 410.25) and weighted average remaining contractual life of 1.35 years (31 March 2014: 2.36 years).

Total Employee Compensation Cost pertaining to 2012 plan during the year is ₹ (5.53) millions (Five months ended 31 March 2014: ₹ 2.51 millions).

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

Restricted Stock Units

EDS, the Holding Company, had issued Restricted Stock Units ('RSU') to certain employees of the Group. These have been replaced by RSUs of HP, pursuant to the merger. Subsequent to the merger, HP had also issued RSUs to certain employees of the Group. However, the cost has been borne by HP and accordingly this has not been accounted as an expense or income by the Group.

Restricted Stock Unit Plan-2010 ('RSU Plan-2010')

Effective 01 August 2010, the Company instituted the Restricted Stock Unit Plan-2010. The Board and the shareholders of the Company approved RSU Plan-2010 on 29 June 2010 and 17 August 2010 respectively. The RSU Plan-2010 provides for the issue of restricted options to employees and directors of the Company and its subsidiaries.

The RSU Plan-2010 is administered by the Mphasis Employees Benefit Trust which was created for this purpose. Each option, granted under the RSU Plan-2010, entitles the holder thereof with an option to apply for and be issued one equity share of the Company at an exercise price of ₹ 10.00 per share. The equity shares covered under these options vest over a period ranging from twelve to twenty-four months from the date of grant. The exercise period is one to three years from the date of vesting.

The movements in the options under the RSU Plan-2010 for the year ended 31 March 2015 and the five months ended 31 March 2014 are set out below:

	Year ended 31 March 2015		Five months ended 31 March 2014	
	No. of Options	Weighted Average Exercise Price (₹)	No. of Options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning	37,300	10.00	39,650	10.00
Granted	-	-	-	-
Forfeited	-	-	-	-
Lapsed	5,575	10.00	-	-
Exercised	26,675	10.00	2,350	10.00
Options outstanding at the end	5,050	10.00	37,300	10.00
Exercisable at the end	5,050	10.00	37,300	10.00

The weighted average share price as at the date of exercise of stock option was ₹ 408.99 (31 March 2014: ₹ 428.33). The options outstanding on 31 March 2015 has an exercise price of ₹ 10.00 (31 March 2014: ₹ 10.00) and the weighted average remaining contractual life of 0.92 years (31 March 2014: 1.33 years).

Total Employee Compensation Cost pertaining to RSU Plan-2010 during the year is ₹ (3.62) millions. (Five months ended 31 March 2014: ₹ Nil).

Restricted Stock Unit Plan-2014 ('RSU Plan-2014')

Effective 20 October 2014, the Company instituted the Restricted Stock Unit Plan-2014. The Board and the shareholders of the Company approved RSU Plan-2014 on 14 May 2014. The RSU Plan-2014 provides for the issue of restricted options to employees and directors of the Company and its subsidiaries.

The RSU Plan-2014 is administered by the Mphasis Employees Benefit Trust. Each option, granted under the RSU Plan-2014, entitles the holder thereof with an option to apply for and be issued one equity share of the Company at an exercise price of ₹ 10.00 per share. The equity shares covered under these options vest over a period ranging from twelve to thirty-six months from the date of grant. The exercise period is one to three years from the date of vesting.

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

The movements in the options under the RSU Plan-2014 for the year ended 31 March 2015 is set out below:

	Year ended 31 March 2015	
	No. of Options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning	-	-
Granted	470,000	10.00
Forfeited	24,250	10.00
Lapsed	-	-
Exercised	-	-
Options outstanding at the end	445,750	10.00
Exercisable at the end	-	-

The options outstanding on 31 March 2015 has an exercise price of ₹ 10.00 and the weighted average remaining contractual life of 4.57 years.

The weighted average fair value of stock options granted during the year was ₹ 362.55. The Black-Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	31 March 2015
Weighted average share price on the date of grant (₹)	399.15
Exercise Price (₹)	10.00
Expected Volatility*	29.51%
Life of the options granted in years	1 -3 Years
Average risk-free interest rate	7.96%
Exercisable at the end	3.70%

* The expected volatility was determined based on historical volatility data.

Total Employee Compensation Cost pertaining to RSU Plan-2014 during the year is ₹ 44.44 millions.

The Group has advanced an amount of ₹ 127.71 millions (31 March 2014: ₹ 139.88 millions) to the Mphasis Employees Benefit Trust. The shares held by Mphasis Employee Benefit Trust will be used for allotment of shares to employees against exercise of outstanding RSU 2010 and ESOP 2012 plan options and in case of any short fall on the date of exercise, will be allotted by the Company.

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

(₹ millions)

	Non Current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
5. LONG-TERM BORROWINGS				
Other loans	3,093.75	4,313.88	1,408.98	1,082.28
Amount disclosed under the head "Other current liabilities"	-	-	(1,408.98)	(1,082.28)
	3,093.75	4,313.88	-	-

Other loans carry interest @ LIBOR plus 2.77% till 30 September 2014 and from 01 October 2014 LIBOR plus 2.27% (31 March 2014: LIBOR plus 2.77%) p.a and is repayable over a period of 5 years in 16 quarterly instalments. 100% equity interests of Digital Risk LLC has been pledged against the loan.

	31 March 2015	31 March 2014
6. DEFERRED TAX LIABILITIES (NET)		
Depreciation and amortization expense: Difference between tax depreciation and depreciation / amortization as per statement of profit and loss	304.39	111.27
Provision for doubtful debts and advances	-	(0.36)
Provision for employee benefits	-	(39.19)
Others	195.47	86.92
	499.86	158.64

	31 March 2015	31 March 2014
7. SHORT TERM BORROWINGS		
Pre-shipment loan in foreign currency	1,250.00	-
	1,250.00	-

Pre-shipment loan carries interest @ 3 month LIBOR plus 0.45% p.a. The loan is repayable after 3 months from date of loan. The loan is unsecured.

	Non Current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
8. TRADE PAYABLES				
Trade payables	-	-	4,063.60	4,512.32
	-	-	4,063.60	4,512.32

The Group has amounts due to Micro and Small Enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31 March 2015 and 31 March 2014. The details in respect of such dues are as follows:

Particulars	31 March 2015	31 March 2014
The principal amount remaining unpaid to any supplier.	11.69	14.32
The amount of interest due and remaining unpaid to any supplier.	13.01	9.85
The amount of interest paid by the Group along with the amount of the payments made to the supplier beyond the appointed day.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year / period).	0.83	0.39
The amount of interest accrued and remaining unpaid at the end of the year.	Nil	Nil
The amount of further interest remaining due and payable for the earlier years.	9.85	8.44

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

(₹ millions)

	Non Current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
9. OTHER LIABILITIES				
Advances from clients	-	-	10.84	59.81
Salary related costs	15.65	67.48	2,103.33	2,082.00
Unearned revenue	-	-	332.99	447.17
Interest on long term loans payable	-	-	0.64	0.45
Rent equalisation reserve	41.29	-	23.73	59.38
Statutory dues	-	-	561.78	588.65
Capital creditors	-	-	39.06	95.16
Other payables*	10.44	334.06	368.85	1,246.85
Unpaid dividend**	-	-	6.97	7.76
Current maturities of long-term borrowings	-	-	1,408.98	1,082.28
Restatement of forward cover	-	-	29.79	-
	67.38	401.54	4,886.96	5,669.51

* The above amount includes ₹ 112.50 millions (USD 1.80 millions) [31 March 2014: ₹ 1,294.16 millions (USD 21.60 millions)] which represents the earnout payable to the erstwhile share holders of Digital Risk LLC. [refer note 2.3].

** Investor Protection and Education Fund shall be credited for unclaimed dividend amounts when due.

	Non Current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
10. PROVISIONS				
Provision for employee benefits				
Provision for gratuity [refer note 32 (a)]	539.78	-	52.50	441.72
Provision for employee compensated absences	-	-	481.11	499.29
	539.78	-	533.61	941.01
Other provisions				
Proposed equity dividend	-	-	3,362.25	1,470.94
Provision for tax on proposed equity dividend	-	-	684.49	249.99
Provision for taxation	-	-	375.32	736.82
Provision for mark to market losses on derivative contracts	-	40.54	11.74	255.58
	-	40.54	4,433.80	2,713.33
	539.78	40.54	4,967.41	3,654.34

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

11. TANGIBLE AND INTANGIBLE ASSETS (refer note 11.1)

(₹ millions)

	Tangible Assets							Intangible Assets			
	Freehold Land	Plant and equipment	Computer equipment	Servers and Networks	Office equipment	Furniture and fixtures	Vehicles	Leasehold improve-ments	Total of Tangible Assets	Computer software	Total of Intangible Assets
Cost or valuation											
At 1 November 2013	27.38	3,108.46	2,469.72	-	1,363.84	747.25	132.85	1,612.65	9,462.15	1,430.07	10,892.22
Additions	-	79.58	168.67	-	13.43	11.54	15.93	39.41	328.56	284.68	613.24
Disposals	-	(91.06)	(105.12)	-	(176.49)	(26.80)	(7.00)	(29.43)	(435.90)	(54.41)	(490.31)
Exchange differences on foreign subsidiaries	-	(36.69)	(17.98)	-	(2.63)	(6.16)	(0.05)	(1.97)	(65.48)	(37.65)	(103.13)
At 31 March 2014	27.38	3,060.29	2,515.29	-	1,198.15	725.83	141.73	1,620.66	9,289.33	1,622.69	10,912.02
Additions	-	13.68	127.98	105.21	32.37	21.28	34.46	19.89	354.87	59.66	414.53
Disposals	(27.38)	(703.83)	(90.38)	(185.15)	(70.73)	(60.39)	(37.34)	(144.08)	(1,319.28)	(32.36)	(1,351.64)
Reclassification	-	(660.75)	(644.71)	1,320.23	(14.77)	-	-	-	-	-	-
Exchange differences on foreign subsidiaries	-	3.44	9.44	3.67	3.09	7.31	0.08	0.95	27.98	52.26	80.24
At 31 March 2015	-	1,712.83	1,917.62	1,243.96	1,148.11	694.03	138.93	1,497.42	8,352.90	1,702.25	10,055.15
Depreciation											
At 1 November 2013	-	2,497.01	2,149.51	-	1,253.84	562.97	50.06	1,304.89	7,818.28	951.97	8,770.25
Charge for the period	-	135.73	71.94	-	37.57	32.64	11.27	69.94	359.09	144.76	503.85
Disposals	-	(87.33)	(103.84)	-	(174.69)	(25.57)	(1.76)	(27.45)	(420.64)	(54.33)	(474.97)
Exchange differences on foreign subsidiaries	-	(23.91)	(12.55)	-	(1.62)	(2.92)	(0.02)	(0.71)	(41.73)	(23.36)	(65.09)
At 31 March 2014	-	2,521.50	2,105.06	-	1,115.10	567.12	59.55	1,346.67	7,715.00	1,019.04	8,734.04
Charge for the year	-	153.91	176.57	94.66	37.31	60.77	28.06	143.89	695.17	285.53	980.70
Disposals	-	(703.27)	(87.12)	(169.73)	(69.88)	(60.21)	(22.05)	(144.02)	(1,256.23)	(30.04)	(1,286.27)
Reclassification	-	(441.08)	(530.81)	983.55	(11.66)	-	-	-	-	-	-
Depreciation charged to reserves	-	-	18.93	-	-	-	-	-	18.93	-	18.93
Exchange differences on foreign subsidiaries	-	2.81	4.11	1.92	1.60	3.38	0.04	0.14	14.00	37.81	51.81
At 31 March 2015	-	1,533.87	1,686.74	910.40	1,072.52	571.06	65.60	1,346.68	7,186.87	1,312.34	8,499.21
Net block											
At 31 March 2014	27.38	538.79	410.23	-	83.05	158.71	82.18	273.99	1,574.33	603.65	2,177.98
At 31 March 2015	-	178.96	230.88	333.56	75.59	122.97	73.33	150.74	1,166.03	389.91	1,555.94

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

11.1 Pursuant to the notification of Schedule II of the Companies Act, 2013 by the Ministry of Corporate Affairs effective 01 April 2014, the management has internally reassessed and changed, wherever necessary the useful lives to compute depreciation, to conform to the requirements of the Companies Act, 2013.

The comparison of useful lives is as follows:

Asset	Useful life as per Companies Act, 2013	Revised useful life	Existing useful life (In years)	
			Call centre services	Other services
Computer equipment	3	3	5	2
Furniture and Fixtures	10	5	5	4
Lease hold Improvements	10	10 or remaining primary lease term whichever is less	5 or remaining primary lease term whichever is less	3 or remaining primary lease term whichever is less
Office equipment	5	5	5	3
Plant and Machinery	15	7	5	4
Server and Networking equipments	6	6	5	2
Purchased software / Internally developed for self consumption	As per AS-26	Useful life of the asset	3 years or useful life, whichever is less	3 years or useful life, whichever is less
Internally developed software for sale	As per AS-26	Useful life of the asset	7 years or useful life, whichever is less	7 years or useful life, whichever is less
Vehicles	8	5	3-5	3-5

In respect of plant and machinery, furniture and fixtures and vehicles, the management basis internal assessment of usage pattern believes that the useful lives as mentioned above best represent the period over which management expects to use these assets. Hence the useful lives in respect of these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Accordingly, the carrying amount as at 01 April 2014 is being depreciated over the revised remaining useful life of the asset. Had the Group continued with the previously assessed useful lives, charge of depreciation for the year ended 31 March 2015 would have been higher by ₹ 50.50 millions on assets held as at 01 April 2014 and the profit before tax would have been lower by such amount.

Further, the carrying value of ₹ 18.93 millions, in case of assets with nil revised remaining useful life as at 01 April 2014 is reduced after tax adjustments from the retained earnings as at such date.

	(₹ millions)	
	31 March 2015	31 March 2014
12. GOODWILL ON CONSOLIDATION		
Balance brought forward	21,864.75	22,498.70
Less: On acquisition of Digital Risk LLC. (refer note 2.3)	(894.60)	-
Less: On acquisition of Mphasis Infrastructure Services Inc. (refer note 2.2)	-	(67.52)
Less: Settlement of escrow in Mphasis Wyde Inc.	(69.40)	-
Add / (Less): Movement on account of exchange rate fluctuation	880.68	(566.43)
	21,781.43	21,864.75

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

(₹ millions)

	31 March 2015	31 March 2014
13. NON-CURRENT INVESTMENTS*		
Non-trade (unquoted mutual funds)		
Birla Sun Life Dynamic Bond Fund - Retail Plan 238,885,199 units at ₹ 10.4610 (31 March 2014: 238,885,199 units at ₹ 10.4610)	2,498.98	2,498.98
Kotak Bond Scheme Plan A - Dividend Nil units (31 March 2014: 34,529,446 units at ₹ 10.4627)	-	361.27
HDFC Income Fund - Dividend Nil units (31 March 2014: 85,598,006 units at ₹ 11.3091)	-	968.04
Reliance Dynamic Bond Fund Nil units (31 March 2014: 94,518,133 units at ₹ 10.3770)	-	980.81
Birla Fixed Term Plan - Series KX Nil units (31 March 2014: 20,000,000 units at ₹ 10.0000)	-	200.00
IDFC Fixed Term Plan Series 86 Direct Plan Nil units (31 March 2014: 20,000,000 units at ₹ 10.0000)	-	200.00
ICICI Prudential FMP Series 73 Nil units (31 March 2014: 20,000,000 units at ₹ 10.0000)	-	200.00
	2,498.98	5,409.10

	31 March 2015	31 March 2014
14. DEFERRED TAX ASSET (NET)		
Depreciation and amortization expense: Difference between tax depreciation and depreciation / amortization as per statement of profit and loss	528.83	707.57
Provision for doubtful debts and advances	224.22	150.87
Provision for employee benefits	407.46	54.20
Deferred tax liability on rent equalisation reserve	(403.83)	(84.70)
Others	68.94	140.18
	825.62	968.12

(₹ millions)

	Non Current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
15. LOANS AND ADVANCES				
Unsecured-considered good				
Capital advances	114.20	2.11	-	-
Deposits				
- Premises	733.84	773.93	25.86	26.47
- With government authorities	22.92	22.92	-	-
- Others	1,157.30	866.90	7.79	3.23
Loans to employees	-	-	5.14	4.78
Loan to ESOP trust (refer note 36)	-	-	127.71	139.88
Advances recoverable in cash or kind				
- Prepaid expenses	63.65	74.61	663.11	433.47
- Employee advances	-	-	107.24	117.25
- Advance to supplier/ others	-	-	667.20	700.83
Balance with statutory/ government authorities *	1,169.67	1,475.33	671.83	462.14
Advance income-tax (net of provision for taxation)	2,999.91	2,449.83	-	-
MAT credit entitlement **	453.46	710.88	231.84	251.30
	6,714.95	6,376.51	2,507.72	2,139.35

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

* Balances with statutory/government authorities include service tax input credit receivable net of ₹ 1,788.89 millions (31 March 2014: ₹ 1,881.83 millions). Based on legal opinion obtained by the Group, service tax liability on imported services under "Import of Services Rules" have been discharged using accumulated balance available in CENVAT Credit Account for the period 1 December 2010 to 31 March 2011. Effective 1 April 2011 such position is reversed and service tax liability on select imported services under "Import of Services Rules" have been discharged in cash. Further, the Group has obtained legal opinions in support of its position on non applicability of service tax under 'Import of Services Rules' on onsite services provided by foreign vendors (including group companies).

The management, per the legal opinion, is confident that the legal positions taken by the Group are tenable and defensible under law.

** net of MAT credit utilisation of ₹ 281.30 millions (31 March 2014: ₹ 217.99 millions).

	Non Current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
16. OTHER ASSETS				
Non-current bank balances (refer note 19)	0.85	87.17	-	-
Unbilled revenue	-	-	5,064.68	5,084.08
Accrued interest	-	-	101.91	29.51
Restatement of forward cover	-	-	-	146.28
Rent equalisation reserve	1,051.50	152.46	94.38	-
Mark to market gains on forward cover	-	5.42	272.81	113.41
Expense incurred on behalf of customers	-	-	45.15	75.23
	1,052.35	245.05	5,578.93	5,448.51

(₹ millions)

	31 March 2015	31 March 2014
17. CURRENT INVESTMENTS*		
Unquoted mutual funds		
Birla Sun Life Savings Fund - Retail - Daily Dividend 27,006,823 units at ₹ 100.2972 (31 March 2014: Nil units)	2,708.71	-
Birla Fixed Term Plan - Series KX 20,000,000 units at ₹ 10.0000 (31 March 2014: Nil units)	200.00	-
IDFC Money Manager Fund - Treasury Plan 75,171,893 units at ₹ 10.0676 (31 March 2014: Nil units)	756.80	-
IDFC Fixed Term Plan Series 86 Direct Plan 20,000,000 units at ₹ 10.0000 (31 March 2014: Nil units)	200.00	-
JPMorgan India Liquid Fund - Direct - DDR 52,913,078 units at ₹ 10.0101 (31 March 2014: Nil units)	529.67	-
ICICI Prudential FMP Series 73 20,000,000 units at ₹ 10.0000 (31 March 2014: Nil units)	200.00	-
L&T Cash Fund Direct Plan - Daily Dividend 491,483 units at ₹ 1,023.3000 (31 March 2014: Nil units)	502.93	-
Reliance Yearly Interval Fund - Series 6 32,150,501 units at ₹ 10.8863 (31 March 2014: Nil units)	350.00	-
Reliance Yearly Interval Fund - Series 9 13,796,656 units at ₹ 10.8722 (31 March 2014: Nil units)	150.00	-
ICICI Prudential Liquid - Regular Plan - Daily Dividend 7,361,899 units at ₹ 100.0636 (31 March 2014: Nil units)	736.66	-
Kotak Treasury Advantage Fund - Direct plan - Daily Dividend 99,916,052 units at ₹ 10.0798 (31 March 2014: Nil units)	1,007.13	-
Reliance Liquid Fund - Cash Plan - Direct Plan 903,574 units at ₹ 1,114.1500 (31 March 2014: Nil units)	1,006.72	-

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

(₹ millions)

	31 March 2015	31 March 2014
17. CURRENT INVESTMENTS* (Continued)		
Reliance Qly Interval fund - Series II - Direct Dividend 39,944,876 units at ₹ 10.0138 (31 March 2014: Nil units)	400.00	-
Religare Invesco Credit Opportunities Fund - Direct Plan Daily Dividend 511,074 units at ₹ 1,000.2900 (31 March 2014: Nil units)	511.22	-
ICICI Prudential Liquid - Direct Plan 10,473,077 units at ₹ 100.0565 (31 March 2014: 18,625,243 units at ₹ 100.0540)	1,047.90	1,863.53
IDFC Money Manager Fund - Invest Plan 76,123,899 units at ₹ 10.0528 (31 March 2014: 71,398,367 units at ₹ 10.0528)	765.26	717.75
L&T Liquid Fund Direct Plan 477,276 units at ₹ 1,012.0499 (31 March 2014: 4,298,265 units at ₹ 1,011.9470)	483.03	4,349.62
Reliance Liquid Fund - Treasury Plan 245,965 units at ₹ 1,528.7400 (31 March 2014: 525,856 units at ₹ 1,528.7400)	376.02	803.90
Birla Sun Life Cash Plus Nil units (31 March 2014: 24,736,137 units at ₹ 100.1950)	-	2,478.44
ICICI Prudential Interval Fund IV Quarterly Interval Plan B Nil units (31 March 2014: 19,995,001 units at ₹ 10.0025)	-	200.00
ICICI Prudential Interval Fund II Quarterly Interval Plan F Nil units (31 March 2014: 19,973,834 units at ₹ 10.0131)	-	200.00
Reliance Interval Fund - Quarterly Plan - Series I - Direct Nil units (31 March 2014: 39,915,379 units at ₹ 10.0212)	-	400.00
IDFC Fixed Term Plan Series 73 Direct Plan Nil units (31 March 2014: 30,000,000 units at ₹ 10.0000)	-	300.00
Reliance Qly Interval fund - Series II Nil units (31 March 2014: 19,972,438 units at ₹ 10.0138)	-	200.00
ICICI Prudential FMP Series 72 Nil units (31 March 2014: 40,200,000 units at ₹ 10.0000)	-	402.00
Kotak FMP Series 136 Direct - Growth Nil units (31 March 2014: 18,000,000 units at ₹ 10.0000)	-	180.00
IDFC Fixed Term Plan Series 67 Direct Plan - Growth Nil units (31 March 2014: 25,000,000 units at ₹ 10.0000)	-	250.00
Reliance Fixed Horizon Fund - XXV Series 32 Direct Plan Growth Nil units (31 March 2014: 40,000,000 units at ₹ 10.0000)	-	400.00
	11,932.05	12,745.24

* valued at lower of cost and fair value.

	Non Current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
18. TRADE RECEIVABLES				
Unsecured, considered good	53.82	105.02	-	-
Doubtful	651.20	439.89	-	-
Less: Provision for doubtful receivables	(651.20)	(439.89)	-	-
	53.82	105.02	-	-
Outstanding for a period exceeding six months from the date they are due for payment, unsecured				
- Considered good	-	-	50.76	210.86
Other receivables				
- Considered good	-	-	6,201.26	7,567.39
	-	-	6,252.02	7,778.25
	53.82	105.02	6,252.02	7,778.25

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

(₹ millions)

	Non Current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
19. CASH AND BANK BALANCES				
Cash and cash equivalents				
<i>Balances with banks:</i>				
Cash on hand	-	-	0.05	0.04
- On current accounts	-	-	2,292.15	2,642.22
- Deposits with original maturity less than 3 months	-	-	1,735.82	882.06
- Unclaimed dividend	-	-	6.97	7.76
	-	-	4,034.99	3,532.08
Other bank balances *				
- Deposits with original maturity for more than 12 months	0.85	87.17	586.32	1,000.05
- Deposits with original maturity for more than 3 months but less than 12 months	-	-	8,587.06	50.53
	0.85	87.17	9,173.38	1,050.58
Amount disclosed under non-current assets (refer note 15)	(0.85)	(87.17)	-	-
	-	-	9,173.38	1,050.58
	-	-	13,208.37	4,582.66

* includes restricted deposits of ₹ 97.95 millions as at 31 March 2015 (31 March 2014: ₹ 97.95 millions).

	Year ended 31 March 2015	Five months 31 March 2014
20. REVENUE FROM OPERATIONS (refer note 37 and 39)		
Sale of services	57,802.73	26,326.02
Profit / (loss) on cashflow hedges	145.32	(387.72)
	57,948.05	25,938.30
20.1 Details of services rendered:		
Application maintenance & other services	16,631.92	7,345.95
Application development	13,869.98	5,660.84
Infrastructure management services	10,801.14	4,763.53
Knowledge processing services	7,981.79	4,810.17
Other services	8,517.90	3,745.53
	57,802.73	26,326.02

	Year ended 31 March 2015	Five months 31 March 2014
21. OTHER INCOME		
Interest income on		
Bank deposits	548.08	84.86
Others	0.33	0.18
Dividend income on investments	805.77	457.66
Profit on sale of investments	224.35	-
Foreign exchange gain / (loss), (net)	285.76	(24.77)
Profit on sale of fixed assets, (net)	86.25	2.75
Miscellaneous income	16.86	1.34
	1,967.40	522.02

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

(₹ millions)

	Year ended 31 March 2015	Five months 31 March 2014
22. EMPLOYEE BENEFITS EXPENSE		
Salaries and bonus	33,076.18	15,036.53
Contribution to provident and other funds	2,150.29	1,012.48
Employee stock option compensation cost (net)	35.29	2.51
Gratuity expense [refer note 32 (a)]	173.05	69.03
Staff welfare expenses	434.59	153.44
	35,869.40	16,273.99
23. FINANCE COST		
Interest	234.12	111.38
Exchange difference to the extent considered as an adjustment to borrowing costs	45.03	-
	279.15	111.38
24. OTHER EXPENSES		
Travel	1,564.08	749.04
Recruitment expenses	382.19	120.65
Communication expenses	233.87	261.83
Rent	2,720.83	1,101.68
Professional charges	1,782.78	780.36
Provision for doubtful debts	210.60	86.67
Software development expenses	3,473.96	948.15
Power and fuel	543.17	213.65
Software support & annual maintenance charges	601.11	351.32
Insurance	153.88	63.48
Rates & taxes (net of refund)	(2.65)	(77.55)
Repairs & maintenance		
- Plant & machinery	5.63	2.21
- Building	25.35	6.12
- Others	3.43	6.89
Loss/ (gain) on sale/ revaluation of investments	-	20.55
Corporate Social Responsibility Expenses (refer note 38)	21.88	-
Miscellaneous expenses	1,657.65	653.50
	13,377.76	5,288.55

* Other expense for the year ended 31 March 2015 are net of reversal of certain provision which are no longer required amounting to ₹ 707.32 millions (five months ended 31 March 2014: ₹ 106.87 millions).

25. The Group's software development centres and call centres in India include 100% Export Oriented Units ('EOU'), Special Economic Zone ('SEZ') under Special Economic Zone Ordinance and Software Technology Park ('STP') Units under the Software Technology Park guidelines issued by the Government of India. They are exempted from customs and central excise duties and levies on imported and indigenous capital goods and stores and spares. The Group has executed legal undertakings to pay customs duty, central excise duty, levies and liquidated damages payable, if any, in respect of imported and indigenous capital goods and stores and spares consumed duty free, in the event that certain terms and conditions are not fulfilled. Bank guarantees aggregating to ₹ 52.98 millions as at 31 March 2015 (31 March 2014: ₹ 51.26 millions) have been furnished to the Customs authorities in this regard.

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

26. Contingent liabilities and commitments

- (a) The Group has received assessment orders for the financial years ended 31 March 2003, 31 March 2004, 31 March 2005, 31 March 2006, 31 March 2007, 31 March 2008, 31 March 2009, 31 March 2010 and 31 March 2011, wherein certain adjustments in respect of transfer pricing under Section 92CA of the Income Tax Act, 1961 have been made to the taxable income and demand orders for ₹ 2,267.01 millions (31 March 2014: ₹ 1,927.10 millions) have been raised on the Group. The above demands are disputed by the management and the Group has filed appeals against the aforesaid orders with appellate authorities. The management is of the view that the prices determined by it are at arm's length and is confident that the demands raised by the assessing officer are not tenable under law. Pending outcome of the aforesaid matters under litigation, no provision has been made in the books of account for the above mentioned tax demands.

Other claims against the Group not acknowledged as debts amounting to ₹ 1,721.23 millions (31 March 2014: ₹ 2,261.17 millions) net of bank guarantees aggregating to ₹ 4,841.14 millions (31 March 2014: ₹ 4,841.14 millions). The management, basis internal evaluation and legal opinion is of the view that these demands are not tenable.

- (b) Other outstanding bank guarantees as at 31 March 2015: ₹ 760.62 millions (31 March 2014: ₹ 802.25 millions) including those furnished on account of jointly controlled operations ₹ 99.35 millions (31 March 2014: ₹ 99.35 millions).
- (c) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for as at 31 March 2015: ₹ 327.90 millions (31 March 2014: ₹ 101.05 millions).
- (d) The Group has received claims from certain customers / vendors. Management is of the view that these claims are not tenable and is taking appropriate action in this regard. It is not practical for the Group to estimate the amounts.
- (e) Forward contracts outstanding against receivables / highly probable forecast transactions as at 31 March 2015 and 31 March 2014 are as below:

Currency	31 March 2015		31 March 2014	
	Amount (millions)	Amount in ₹ (millions)	Amount (millions)	Amount in ₹ (millions)
USD	219.94	13,746.25	234.64	14,058.46
GBP	13.11	1,212.28	10.39	1,036.56
CAD	4.55	223.10	4.44	240.97
AUD	5.22	248.13	4.37	241.65
EUR	20.28	1,362.61	13.09	1,082.34

Forward contracts outstanding against payables as at 31 March 2015 and 31 March 2014 are as below:

Currency	31 March 2015		31 March 2014	
	Amount (millions)	Amount in ₹ (millions)	Amount (millions)	Amount in ₹ (millions)
USD	20.00	1,250.00	-	-
SGD	2.84	129.15	3.33	158.45

The foreign exchange exposure of the Group has been hedged by forward contracts disclosed above.

Unamortized premium as at 31 March 2015 on forward exchange contracts to hedge the foreign currency risk of the underlying outstanding at the balance sheet date is ₹ 47.36 millions (31 March 2014: ₹ 74.39 millions). Net foreign currency exposure of the Group that is not hedged by a derivative instrument or otherwise as at 31 March 2015: ₹ 20,210.15 millions (31 March 2014: ₹ 17,579.30 millions).

- (f) The Group has issued performance guarantees to certain clients for executed contracts. It is not practical for the Group to estimate the amounts.

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

27. Operating Leases

The Group is obligated under non-cancellable leases for equipments, office and residential space that are renewable on a periodic basis at the option of the lessor and the lessee. Total rental expense under non-cancellable operating leases amounted to ₹ 971.00 millions for the year ended 31 March 2015 (Five months ended 31 March 2014: ₹ 587.23 millions).

Future minimum lease payments under non-cancellable operating leases as at 31 March 2015 are as follows:

(₹ millions)		
Period	31 March 2015	31 March 2014
Not later than 1 year	1,289.41	1,785.99
Later than 1 year and not later than 5 years	585.34	1,509.68
More than 5 years	-	-
	1,874.75	3,295.67

The Group has also occupied office facilities and residential facilities under cancellable operating lease agreements. The Group intends to renew such leases in the normal course of its business. Total rental expense under cancellable operating leases for the year ended 31 March 2015 amounted to ₹ 1,749.83 millions (Five months ended 31 March 2014: ₹ 514.45 millions).

Office premises are obtained on operating lease for terms ranging from 1 to 7 years and are renewable at the option of the Group / lessor.

28. Related Party Transactions

(a) Entities where control exists:

- Hewlett-Packard Company, USA (ultimate holding company)
- Hewlett-Packard Eagle Corporation, USA (100% subsidiary of Hewlett-Packard Company, USA)
- Electronic Data Systems LLC, USA (formerly Electronic Data Systems Corporation, USA), (100% subsidiary of Hewlett-Packard Eagle Corporation, USA)*

* EDS Asia Pacific Holdings (formerly TH Holding, Mauritius), EDS World Corporation (Far East) LLC and EDS World Corporation (Netherlands) LLC, the subsidiaries of Electronic Data Systems LLC, USA (formerly Electronic Data Systems Corporation, USA) hold 60.49% (31 March 2014: 60.49%) of the equity capital of the Company.

The related parties where control exists also include BFL Employees Equity Reward Trust, Kshema Employees Welfare Trust, Mphasis Employee Benefit Trust and Mphasis Provident Fund Trust.

(Refer note 32 (b) for information on transactions with Mphasis Provident Fund Trust mentioned above).

(b) Key management personnel:

The key management personnel of the Group are as mentioned below:

- | | |
|----------------------|--|
| ■ Balu Ganesh Ayyar | Chief Executive Officer |
| ■ A. Sivaram Nair * | Executive Vice President, Company Secretary General Counsel & Ethics Officer |
| ■ V. Suryanarayanan* | Executive Vice President & Chief Financial Officer ('CFO') - Appointed w.e.f. 01 August 2014 (interim CFO w.e.f. 04 June 2014 till 31 July 2014) |
| ■ Ganesh Murthy * | Executive Vice President & Chief Financial Officer Resigned w.e.f. 03 June 2014 |

* Considered as Key management personnel w.e.f. 01 April 2014 as per the provisions of the Companies Act 2013.

Non-executive / independent directors on the Board of the Company

- | | |
|-------------------------|--|
| ■ Friedrich Froeschl | Director - Non Executive Independent Director, Chairman of the Board |
| ■ James Mark Merritt | Director - Vice Chairman of the Board w.e.f. 13 March 2014 |
| ■ Davinder Singh Brar | Director - Non Executive Independent Director |
| ■ Narayanan Kumar | Director - Non Executive Independent Director |
| ■ Lakshmikanth K Ananth | Director |
| ■ Shankar Maitra | Director w.e.f. 05 December 2013 |
| ■ Stefan Antonio Lutz | Director – Appointed w.e.f. 12 February 2014 |
| ■ Mary Teresa Hassett | Additional Director – Appointed w.e.f. 30 September 2014 |
| ■ Chandrakant D Patel | Director – Resigned w.e.f. 30 September 2014 |
| ■ Antonio Neri | Director – Resigned w.e.f. 05 December 2013 |
| ■ V Ravichandran | Director – Resigned w.e.f. 12 February 2014 |

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

(c) Direct or indirect subsidiaries of ultimate holding company with which transactions have taken place:

- Global E-Business Operations Private Ltd
- P.T. Hewlett-Packard Berca Servisindo
- Hewlett-Packard Sverige A.B.
- Hewlett-Packard India Sales Private Limited
- Hewlett-Packard Servicios Espania, S.L.
- Hewlett-Packard (Canada) Co.
- Hewlett-Packard (K) Limited Liability Partnership
- Hewlett-Packard (Schweiz) GmbH
- Hewlett-Packard (Thailand) Ltd
- Hewlett-Packard Aps
- Hewlett-Packard Asia Pacific Pte Ltd
- Hewlett-Packard Australia Pty Limited
- Hewlett-Packard Belgium B.V.B.A/S.P.R.L
- Hewlett-Packard Brasil Ltd
- Hewlett-Packard CDS Limited
- Hewlett-Packard Enterprises LLC
- Hewlett-Packard Financial Services (India) Private Ltd
- Hewlett-Packard France SAS
- Hewlett-Packard FS France SAS
- Hewlett-Packard Galway Ltd
- Hewlett-Packard Gesellschaft m.b.H
- Hewlett-Packard Global Investments B.V
- Hewlett-Packard Globalsoft Limited
- Hewlett-Packard GmbH
- Hewlett-Packard International Sa'rl
- Hewlett-Packard International Trade B.V.
- Hewlett-Packard Japan Limited
- Hewlett-Packard de Mexico S. De R.L. De CV
- Hewlett-Packard Ltd
- HP India Software Operation Pvt Ltd
- HP Services (Singapore) Pte Ltd
- Hewlett-Packard Europe Finance Ltd
- China Hewlett-Packard Ltd
- Hewlett-Packard Multimedia SDN BHD
- P.T. Hewlett-Packard Berca Servisindo
- Hewlett-Packard Nederland B.V.
- Hewlett-Packard New Zealand
- Hewlett-Packard Norge A/S
- Hewlett-Packard OY
- Hewlett-Packard Pakistan (Private) Limited
- Hewlett-Packard Philippines Incorporation
- Hewlett-Packard Services Kuwait Company W.L.L
- Hewlett-Packard Singapore (Sales) Pte. Ltd
- Hewlett-Packard Slovakia, s.r.o.
- Hewlett-Packard UK Enterprise (1) Ltd.
- Hewlett-Packard State & Local Enterprise Services, Inc.
- Shanghai Hewlett-Packard Co, Ltd
- Hewlett-Packard Technology (Shanghai) Co., Ltd
- HP Centre de Competence France SAS
- HP Enterprise Services (Hong Kong) Ltd
- HP Enterprise Services Australia Pty Ltd
- HP Enterprise Services BPA Pty Ltd
- HP Enterprise Services Italia S.r.l
- HP Enterprise Services UK Ltd
- HP Enterprise Services Energy Italia S.r.l
- HP Enterprise Services, LLC
- HP Facilities Services (Malaysia) Sdn Bhd
- HP Financial Services (Australia) Pty Ltd
- HP Financial Services (New Zealand)
- HP Financial Services GmbH
- Hewlett-Packard Ireland, Ltd.
- HP Financial Services SPRL
- HP Information Security UK Ltd
- HP Software, LLC
- Hewlett-Packard Nigeria Ltd

(d) The following is the summary of significant transactions with related parties by the Group:

	Year ended 31 March 2015	Five months ended 31 March 2014
	(₹ millions)	
Rendering of services - entities where control exists	2,079.00	945.93
- Hewlett-Packard Company, USA	2,079.00	945.93
Rendering of services - other related parties	17,825.09	8,752.84
- HP Enterprise Services, LLC	10,585.37	5,173.09
- Others	7,239.72	3,579.75
Purchase of fixed assets - other related parties	80.36	25.55
- Hewlett Packard India Sales Private Limited	46.70	7.06
- Hewlett Packard Singapore (Sales) Pte. Limited	33.17	18.49
- Others	0.49	-

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

(₹ millions)

	Year ended 31 March 2015	Five months ended 31 March 2014
Sale of fixed assets - other related parties	2.65	-
- Hewlett Packard India Sales Private Limited	2.65	-
Lease rentals (reversed) / incurred - other related parties	(1.57)	13.86
- Hewlett Packard Financial Services (India) Private Limited	(1.57)	13.86
Communication charges (reversed) / incurred - other related parties	(275.08)	-
- HP Services (Singapore) Pte Limited	(275.08)	-
Software development charges - other related parties	9.76	4.06
- HP Services (Singapore) Pte Limited	9.76	4.06
Software support and annual maintenance charges - other related parties	228.04	246.03
- HP Services (Singapore) Pte Limited	193.70	246.03
- Others	34.34	-
Other expenses incurred - other related parties	0.35	0.03
- HP Services (Singapore) Pte Limited	0.35	0.03
Dividend paid (on cash basis)	889.75	2,160.81
- EDS Asia Pacific Holdings	581.02	1,411.04
- EDS World Corporation (Far East) LLC	308.73	749.77
- EDS World Corporation (Netherlands) LLC	-	-
Remuneration to executive key management personnel	121.92	44.39
- Balu Ganesh Ayyar	88.75	-
- Others	33.17	-
Commission to non-executive directors *	13.50	5.78
- Davinder Singh Brar	3.42	1.45
- Friedrich Froeschl	6.19	2.67
- Narayanan Kumar	3.89	1.66
Advance adjusted against issue of RSU - Mphasis Employee Benefit Trust	11.91	1.05
Refund from Mphasis Employee Benefit Trust	0.26	0.03

* This does not include remuneration paid to certain non-executive directors by the ultimate parent company and its affiliates as they are employees of the said companies.

(e) The balances receivable from and payable to related parties are as follows:

	31 March 2015	31 March 2014
Advance to Mphasis Employees Benefit Trust	127.71	139.88
Trade receivables and unbilled revenue – entities where control exists	307.54	452.56
- Hewlett-Packard Company, USA	307.54	452.56
Trade receivables and unbilled revenue-other related parties	3,127.76	4,269.45
- HP Enterprise Services, LLC	1,614.30	2,211.81
- HP Enterprise Services UK Ltd	439.45	485.75
- Hewlett-Packard Australia Pty Limited	397.43	363.67
- Others	676.58	1,208.22
Trade payable - other related parties	287.66	812.67
- HP Services (Singapore) Pte Limited	195.90	724.49
- Hewlett Packard Singapore (Sales) Pte Ltd	38.13	58.85
- Others	53.63	29.33
Remuneration payable to executive key management personnel	2.93	4.37
- Balu Ganesh Ayyar	2.08	4.37
- Others	0.85	-
Commission payable to non-executive directors	-	5.78
- Davinder Singh Brar	-	1.45
- Narayanan Kumar	-	1.66
- Friedrich Froeschl	-	2.67

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

29. Segment reporting

The Group has identified Banking and Capital Market, Insurance, Information Technology, Communication and Entertainment and Emerging Industries as primary business segments of the Group.

The accounting policies consistently used in the preparation of financial statements are also applied to record revenue and expenditure in individual segments. Assets, liabilities, revenues and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while other items, wherever allocable, are apportioned to the segments on an appropriate basis. Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably. The Group, therefore believes that it is not practical to provide segment disclosures relating to such items, and accordingly such items are separately disclosed as 'unallocated'.

Client relationships are driven based on client domicile. The geographical segments include United States of America (USA), India, Asia Pacific (APAC) and Europe, Middle East & Africa (EMEA).

Primary segment information

	(₹ millions)	
	Year ended 31 March 2015	Five months ended 31 March 2014
Segment revenue		
Banking and Capital Market	23,701.66	10,906.80
Insurance	8,125.01	3,304.12
Information Technology, Communication and Entertainment	9,578.19	4,255.58
Emerging Industries	16,397.87	7,859.52
Unallocated-Hedge	145.32	(387.72)
	57,948.05	25,938.30
Segment result *		
Banking and Capital Market	4,310.80	2,669.25
Insurance	1,610.78	799.34
Information Technology, Communication and Entertainment	2,870.60	1,089.17
Emerging Industries	5,557.71	2,649.22
Unallocated-Hedge	145.32	(387.72)
	14,495.21	6,819.26
Interest income	548.41	85.04
Finance costs	(279.15)	(111.38)
Other income	1,418.99	436.98
Other unallocable expenditure	(6,806.67)	(3,011.76)
Profit before taxation *	9,376.79	4,218.14
Income taxes	2,630.40	1,191.33
Profit after taxation	6,746.39	3,026.81

* Includes exceptional items (also refer note 37)

	31 March 2015	31 March 2014
Segment assets		
Banking and Capital Market	8,490.40	7,795.07
Insurance	2,619.67	2,212.36
Information Technology, Communication and Entertainment	2,709.92	3,475.15
Emerging Industries	3,933.82	5,179.13
Unallocated	56,412.65	51,238.81
	74,166.46	69,900.52

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

(₹ millions)

	31 March 2015	31 March 2014
Segment liabilities		
Banking and Capital Market	3,583.91	5,017.19
Insurance	1,469.60	1,381.74
Information Technology, Communication and Entertainment	1,303.69	1,421.87
Emerging Industries	2,103.09	2,446.15
Unallocated	10,908.45	8,483.82
	19,368.74	18,750.77
Capital employed		
Banking and Capital Market	4,906.49	2,777.88
Insurance	1,150.07	830.62
Information Technology, Communication and Entertainment	1,406.23	2,053.28
Emerging Industries	1,830.73	2,732.98
Unallocated	45,504.20	42,754.99
	54,797.72	51,149.75
	Year ended	Five months ended
	31 March 2015	31 March 2014
Capital expenditure		
Banking and Capital Market	274.90	169.43
Insurance	94.35	51.33
Information Technology, Communication and Entertainment	111.23	66.11
Emerging Industries	190.44	122.10
	670.92	408.97
Depreciation		
Banking and Capital Market	431.20	183.51
Insurance	65.64	29.98
Information Technology, Communication and Entertainment	271.71	180.82
Emerging Industries	212.15	109.54
	980.70	503.85
Secondary segment information (revenues)		
	Year ended	Five months ended
	31 March 2015	31 March 2014
Region		
USA	41,309.86	19,476.26
India	5,517.59	1,972.21
APAC	3,774.12	1,496.58
EMEA	7,201.16	3,380.97
Unallocated-Hedge	145.32	(387.72)
	57,948.05	25,938.30

Revenues by geographic area are based on the geographical location of the client.

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

(₹ millions)

	31 March 2015	31 March 2014
Secondary segment information (assets)		
Region		
USA	29,786.84	32,551.57
India	40,422.65	32,788.30
APAC	1,365.13	1,366.60
EMEA	2,591.84	3,194.05
	74,166.46	69,900.52

	Year ended 31 March 2015	Five months ended 31 March 2014
Secondary segment information (capital expenditure)		
Region		
USA	211.14	129.55
India	436.00	266.82
APAC	2.44	6.41
EMEA	21.34	6.19
	670.92	408.97

Earnings Per Share ('EPS')

Reconciliation of basic and diluted shares used in computing earnings per share:

	Year ended 31 March 2015	Five months ended 31 March 2014
Profit before exceptional item (₹ in millions)	6,778.04	3,091.22
Profit after exceptional item (₹ in millions)	6,746.39	3,026.81
Number of weighted average shares considered for calculation of basic earnings per share	210,138,538	210,130,113
Add: Dilutive effect of stock options	330,837	245,021
Number of weighted average shares considered for calculation of diluted earnings per share	210,469,375	210,375,134

The above does not include 21,000 (31 March 2014: 21,000) bonus shares held in abeyance by the Company.

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

31. Stock Based Compensation

The Group uses the intrinsic value method of accounting for its employee stock options except for RSU Plan 2010, RSU Plan 2011, RSU Plan 2014 and ESOP 2012 plan wherein compensation cost is measured based on fair value method. The Group, has therefore adopted the pro-forma disclosure provisions as required by the Guidance Note on "Accounting for Employee Share-based Payments" issued by the ICAI with effect from 01 April 2005.

Had the compensation cost been determined in a manner consistent with the fair value approach described in the aforesaid Guidance Note, the Group's net profit and EPS as reported would have been adjusted to the pro-forma amounts indicated below:

	(₹ millions)	
	Year ended 31 March 2015	Five months ended 31 March 2014
Net profit as reported (before exceptional item)	6,778.04	3,091.22
Add: Stock based employee compensation expense determined under the intrinsic value method	-	-
Less: Stock based employee compensation income determined under the fair value method	-	-
Pro-forma net profit	6,778.04	3,091.22
Earning per share: Basic		
As reported	32.26	14.71
Pro-forma	32.26	14.71
Earning per share: Diluted		
As reported	32.20	14.69
Pro-forma	32.20	14.69
Net profit as reported (after exceptional item)	6,746.39	3,026.81
Add: Stock based employee compensation expense determined under the intrinsic value method	-	-
Less: Stock based employee compensation income determined under the fair value method	-	-
Pro-forma net profit	6,746.39	3,026.81
Earning per share: Basic		
As reported	32.10	14.40
Pro-forma	32.10	14.40
Earning per share: Diluted		
As reported	32.05	14.39
Pro-forma	32.05	14.39

The fair value of each stock option has been estimated by management on the respective grant date using the Black-Scholes option pricing model with the following assumptions:

Dividend yield %	1.44% to 1.98%
Expected life	1 to 4 years
Risk free interest rates	5.78% to 8.00%
Expected volatility (annualised) *	67.12% to 69.48%

* Expected volatility (annualised) is computed based on historical share price movement since April 2001.

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

32. Employee Benefits

a. Gratuity Plan

The following tables set out the status of the gratuity plan as required under revised AS 15.

Reconciliation of the projected benefit obligations

(₹ millions)

	31 March 2015	31 March 2014
Change in projected benefit obligation		
Obligations at year beginning	809.82	774.31
Service cost	82.12	43.91
Interest cost	57.80	27.44
Benefits paid	(139.40)	(46.57)
Actuarial loss/ (gain)	60.90	10.73
Obligations at year end	871.24	809.82
Change in plan assets		
Plan assets at year beginning, at fair value	368.10	401.48
Expected return on plan assets	27.77	14.29
Actuarial gain/ (loss)	-	(1.24)
Contributions	22.49	0.14
Benefits paid	(139.40)	(46.57)
Plan assets at year end, at fair value	278.96	368.10
Reconciliation of present value of obligation and fair value of plan assets		
Fair value of plan assets at the end of the year	278.96	368.10
Present value of defined benefit obligation at the end of the year	871.24	809.82
Liability recognized in the balance sheet	(592.28)	(441.72)

	Year ended 31 March 2015	Five months ended 31 March 2014
Assumptions		
Discount rate	7.81%	8.78%
Expected rate of return on plan assets	9.00%	8.00%
Actual rate of return on plan assets	9.00%	8.85%
Attrition rate	20%- 30%	20%- 30%
Expected contribution over next one year	52.50	441.72

	Year ended 31 March 2015	Five months ended 31 March 2014
Gratuity cost for the year / period		
Service cost	82.12	43.91
Interest cost	57.80	27.44
Expected return on plan assets	(27.77)	(14.29)
Actuarial loss/(gain)	60.90	11.97
Net gratuity cost	173.05	69.03

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Expected return on plan assets is computed based on prevailing market rate.

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	31 March 2015	31 March 2014
Investments with insurer	100%	100%

Amounts for the current and previous four periods are as follows:

(₹ millions)

	Year ended 31 March 2015	Five months ended 31 March 2014	Year ended 31 October 2013	Year ended 31 October 2012	Year ended 31 October 2011
Fair value of plan assets at the end of the year	278.96	368.10	401.48	455.85	451.94
Present value of defined benefit obligation at the end of the year	871.24	809.82	774.31	616.83	501.97
Liability recognized in the balance sheet	(592.28)	(441.72)	(372.83)	(160.98)	(50.03)
Experience adjustment					
Experience gain/ (loss) adjustment on plan liability	(60.90)	(10.73)	(6.35)	1.02	2.12
Experience gain/ (loss) adjustment on plan asset	-	(1.24)	1.24	0.32	1.10

b. Provident Fund

Effective 03 July 2013, the Company has established a Mphasis Provident Fund Trust ('the Trust') to which contributions towards provident fund are made each month which have been invested in Government bonds with average returns more than guaranteed return. On 23 April 2014, an amount of ₹ 5,052.27 millions which was held by Regional Provident Fund Commissioner has been transferred from Recognised Provident Fund to the Mphasis Provident Fund Trust effective 01 April 2014. The Group has carried out actuarial valuation as at 31 March 2015.

The actuary has provided a valuation and based on the assumption mentioned below, there is no shortfall as at 31 March 2015.

The details of the fund and plan asset position are given below:

(₹ millions)

	31 March 2015
Plan assets at the year end	5,636.68
Present value of benefit obligation at year end	5,636.68
Asset recognized in balance sheet	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach.

	31 March 2015
Government of India (GOI) bond yield	7.81%
Remaining term of maturity (in years)	13
Expected guaranteed interest rate	8.75%

The Group contributed ₹ 490.74 millions during the year ended 31 March 2015 (Five months ended 31 March 2014: ₹ 219.44 millions).

33. The movement in provisions during the year is as below:

Claims	31 March 2015	31 March 2014
Opening balance	48.03	48.03
Additions	-	-
Amounts reversed /paid	-	-
Closing balance	48.03	48.03

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

(₹ millions)

	31 March 2015	31 March 2014
Contingent consideration payable to erstwhile shareholders of a subsidiary (refer note 2.2 and 2.3)		
Opening balance	1,294.16	1,398.01
Re-statement of balances	38.64	(36.33)
Amounts reversed / paid	1,220.30	67.52
Closing balance	112.50	1,294.16

34. The details in respect of the jointly controlled operations entered into by the Group as on 31 March 2015 are as follows:

Sl. No.	Name of Joint Ventures	Nature of Project	Capital Commitments
1	TechSmart India Private Limited	The principal activity of this project is setting up enrolment stations, supply/installation of hardware, maintenance, and biometric data entry for National Population Register project of India.	Mphasis Group is committed to procure the required fixed assets to service the customers and also provide performance bank guarantees / earnest money deposits, wherever required.
2	Swathy Smart Cards Hi-tech Private Limited		
3	Swathy Smart Cards Hi-tech Private Limited	The principal activity of this project is to deploy equipment/ manpower, and give technology support for collection of door to door data entry for Social Economic Caste Census project in India.	
4	JMK Infosoft Limited		
5	E - Governance Private Limited	The principal activity of this project is to supply equipment conduct enrolment operations and collect demographic data for issuance of Unique Identification cards in India.	
6	Strategic Outsourcing Services Private Limited		
7	CSS Techenergy Limited		

In respect of the above activities, the Group has advanced ₹ 10.00 millions (31 March 2014: ₹ 10.00 millions) to the said joint venturers.

During the current year there are no transactions with the above parties.

35. Current tax for the year ended 31 March 2015 include reversal of provision of ₹ 314.83 millions pertaining to earlier years (Five months ended 31 March 2014 ₹ 134.17 millions) and Deferred tax charge for year ended 31 March 2015 include ₹ 391.33 millions pertaining to earlier years (five months ended 31 March 2014: ₹ 94.82 millions). On account of said adjustments, the net impact of prior period tax charge is ₹ 76.50 millions (impact of prior period tax reversal for five months ended 31 March 2014: ₹ 39.35 millions).
36. The ESOP Schemes ("RSU 2010", "RSU 2011", "RSU 2014" and "ESOP 2012") of Mphasis Limited are administrated through the Mphasis Employee Benefit trust ("MEBT") and all other ESOP schemes are administrated by BFL Equity Reward Trust ("BERT"). As per the Trust deeds, MEBT and BERT are constituted as irrevocable trusts. In this regard, basis legal advice obtained, the management is of the view that the Company has no right to the assets of MEBT and BERT, hence, the Group has not consolidated the financial statements of MEBT and BERT in the consolidated financial statements of the Group.
37. On 13 February 2014, the Group entered into a definitive agreement subject to fulfilment of certain conditions for sale of a business division on a slump sale basis. Accordingly, the expected loss of ₹ 64.41 millions (net of tax of ₹ 33.17 millions) on such sale of business has been provided for and disclosed as an exceptional item during the five months period ended 31 March 2014. The management is confident of completing the sale of business division on fulfilment of the conditions precedent as per the definitive agreement. Pending completion of the transaction, the management has reversed / provided for overdue debtors of ₹ 379.43 millions.
38. As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility ("CSR") committee has been formed by the Company. The primary function of the Committee is to assist the Board of Directors in formulating a CSR Policy and review the implementation and progress of the same from time to time. The CSR Policy focuses on creating opportunities for the disadvantaged with emphasis on persons with disabilities and Technology driven community development. The expenses incurred towards CSR activities are charged to the statement of profit and loss and is disclosed under other expenses.

Notes to the Consolidated Financial Statements for the year ended 31 March 2015

39. In respect of certain unit priced contract(s), the revenue was being recognised on completion of all the milestones required in respect of each contract. Effective 01 July 2014, the Group has refined the revenue recognition method and revenue is being recognised on completion of individually recognisable milestone in respect of each such contract. As a result of such change, incremental revenue of ₹ 197.47 millions have been recognised during the year with a consequential impact on the profit before tax for the year ended 31 March 2015.
40. The Company has incurred losses, in respect of certain long term non-cancellable revenue contracts, as the operations are in its stabilisation phase. The management has initiated various cost optimisation and revenue enhancement initiatives and is confident of making profits over the period of the contract.
41. Mphasis Limited and certain entities in the Group have entered into international and specified domestic transactions with its associated enterprises within the meaning of section 92B and section 92BA respectively of the Income Tax Act, 1961. The Group is of the view that all the aforesaid transactions have been made at arms' length terms.
42. The Group paid an amount of USD 0.40 millions (₹ 17.53 millions) against a claim received from a client in respect of alleged identity theft pertaining to customer bank accounts involving the Group's employees and ex-employees. Liquid assets and properties worth USD 0.23 millions (₹ 10.06 millions) of the alleged offenders have been frozen by the authorities and legal action has been instituted against them. Under a separate deed of assignment, the client has assigned any amount recoverable from the aforesaid frozen assets of the alleged offenders to the Group. During the quarter ended 31 December 2005, the Group reached settlements for USD 0.18 millions (₹ 7.65 millions) with the insurance companies. The amount has since been received in cash.
- During July 2007, the Group has received from the client, who was given this amount by the Court to be held in trust, an amount of ₹ 10.73 millions including interest from the aforesaid frozen assets. The said amount has been assigned by the client to the Group and has been kept in Fixed Deposit, until such time the Court in a final, non-appealable written order holds that the amounts may be appropriated by the Group or the client.
43. The Group has changed its accounting year end from October to March, effective 01 November 2013. Consequent to such change, the figures furnished by the management for comparative is five months ended 31 March 2014. Hence, the same is not comparable with the current year's figures. Previous year's figures have been reclassified to conform to current year's classification, wherever applicable.

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W

per Adarsh Ranka

Partner

Membership No. 209567

Santa Clara, U.S.A.

22 May 2015

For and on behalf of the Board of Directors

Balu Ganesh Ayyar

Chief Executive Officer

V. Suryanarayanan

Executive Vice President &

Chief Financial Officer

Santa Clara, U.S.A.

22 May 2015

Narayanan Kumar

Director

A. Sivaram Nair

Executive Vice President, Company Secretary

General Counsel & Ethics Officer

Cash Flow Statement for the year ended 31 March 2015

(₹ millions)

	Year ended 31 March 2015	Five months ended 31 March 2014
Cash flow from operating activities		
Profit before tax and exceptional item	9,408.44	4,282.55
Non-Cash adjustment to reconcile profit before tax to net cash flows:		
Depreciation / amortization	980.70	503.85
Profit on sale of fixed assets	(86.25)	(2.75)
Employee stock compensation expense	35.29	2.51
Provision for bad and doubtful debts	210.60	86.67
Interest expense (excluding exchange difference considered as adjustment to borrowing cost)	234.12	111.38
Interest income	(548.41)	(85.04)
Dividend income	(805.77)	(457.66)
(Profit) / Loss on sale / revaluation of investments	(224.35)	20.55
Effect of exchange rate changes (gain) / loss	(14.59)	25.75
Operating profit before working capital changes	9,189.78	4,487.81
Increase / (decrease) in trade payables	(490.33)	371.39
Increase / (decrease) in provisions	173.57	86.02
Increase / (decrease) in other liabilities	(154.61)	165.04
Decrease / (increase) in trade receivables	1,405.93	(1,183.20)
Decrease / (increase) in loans and advances	(393.65)	(1,015.48)
Decrease / (increase) in other assets	(741.52)	363.91
Cash used in operations	(200.61)	(1,212.32)
Direct taxes paid (net of refunds)	(2,792.97)	(1,300.44)
Net cash flow from operating activities before exceptional item	6,196.20	1,975.05
Restructuring expenses paid	(31.65)	-
Net cash flow from operating activities after exceptional item (A)	6,164.55	1,975.05
Cash flow from investing activities:		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(722.56)	(356.97)
Proceeds from sale of fixed assets	151.62	18.09
Purchase of investments	(1,00,838.27)	(41,645.05)
Sale of investments	1,05,441.84	42,796.89
Interest received	476.01	112.85
Dividends received	805.77	457.66
Re-investment of dividend	(655.91)	(331.99)
Investments in bank deposits	(9,087.01)	(1,000.03)
Redemption / maturity of bank deposits	1,050.53	2,150.00
Payment of earnout liability relating to acquisition of Digital Risk LLC	(325.70)	-
Refund received on settlement of escrow in Mphasis Wyde Inc.	39.54	-
Net cash flow (used in) / from investing activities (B)	(3,664.14)	2,201.45

Cash Flow Statement for the year ended 31 March 2015

(₹ millions)

	Year ended 31 March 2015	Five months ended 31 March 2014
Cash flow from financing activities		
Proceeds from issue of share capital	0.06	0.08
Proceeds of premium from issue of share capital	0.60	0.75
Repayment of secured loan	(1,113.57)	-
Payment of capital lease obligation	(1.08)	(3.59)
Repayment of unsecured loans	(3,354.70)	-
Availment of unsecured loans	4,552.10	-
Interest paid	(224.80)	(106.58)
Dividends paid (including tax on dividend)	(1,721.89)	(4,177.90)
Net cash flow used in financing activities (C)	(1,863.28)	(4,287.24)
Net decrease in cash and cash equivalents (A+B+C)	637.13	(110.74)
Effect of exchange rate changes	(134.22)	44.21
Cash and cash equivalents at the beginning of the year	3,532.08	3,598.61
Cash and cash equivalents at the end of the year	4,034.99	3,532.08
Components of cash and cash equivalents		
Cash on hand	0.05	0.04
Balance with banks		
- on current account	2,292.15	2,642.22
- on deposit account	1,735.82	882.06
- unclaimed dividend	6.97	7.76
Total cash and cash equivalents (note 19)	4,034.99	3,532.08

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W

per Adarsh Ranka

Partner

Membership No. 209567

Santa Clara, U.S.A.

22 May 2015

For and on behalf of the Board of Directors

Balu Ganesh Ayyar

Chief Executive Officer

V. Suryanarayanan

Executive Vice President &

Chief Financial Officer

Santa Clara, U.S.A.

22 May 2015

Narayanan Kumar

Director

A. Sivaram Nair

Executive Vice President, Company Secretary

General Counsel & Ethics Officer

Management Discussion and Analysis of Financial Condition and Results of Operations

Safe Harbor

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Mphasis will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

The following discussion and analysis should be read in conjunction with the Company's Indian GAAP Audited Consolidated financial statements and the notes thereon. All comparisons for the purpose of this discussion and analysis are with reference to the audited financials for the year ended 31 March 2015 and 31 March 2014.

Note: *The Company changed its financial year from 31 October to 31 March, and consequently, results for the year ended 31 March 2014 represents results of 5 months of operations.*

For computing growth percentages mentioned herein, results of the transitional year ended 31 March 2014 have been normalized from 5 to 12 months for a meaningful comparison. While care has been taken in this normalization, it needs to be noted that the comparison is between two unequal periods and hence to that extent the percentages are approximate in nature.

Overview

Mphasis is a global IT services Company headquartered in Bengaluru, India. It was formed in the year 2000 through the merger of two IT Companies. In June 2006, Electronics Data Systems Corporation (EDS) acquired a majority holding in the equity capital of the Company. In August 2008 EDS was acquired by the Hewlett-Packard Company; consequently, the Company is now a subsidiary of Hewlett-Packard (HP).

Our strategy for long term growth is based on continued focus in Direct business with differentiated offerings in Banking and Capital Markets and Insurance verticals, and expansion beyond HP Enterprise Services as outlined by the Management and Board of directors in 2011. Results of this strategy and the degree of success is a part of the below discussion.

Revenues

Year 2015 has been a volatile year and was a challenging one. The Major economies worldwide continue to reel under the pressure of a low rate of economic growth. Global growth remains moderate and is projected to be 3.5 percent in 2015 (Source: IMF) with uneven prospects across the main countries and regions. Relative to last year, the outlook for advanced economies is improving, while growth in emerging market and developing economies is projected to be lower. Further, many industries are facing challenges of a changing business model, emerging technologies, stricter regulatory environment, falling oil prices etc. These changes have a cascading impact on our Industry as companies realign their investments & spend in technology. The Industry is witnessing a shift in IT spending by customers from traditional services model to emerging technologies like digital, cloud computing, compliance & regulatory, analytics etc. While this impacts the rate of growth of overall services industry, this also provides opportunities for smaller, nimble and specialized technology companies. Another significant factor specific to our Company's performance has been the slump in US mortgage industry.

The above factors had an impact on our 2015 financial performance. The strategy to invest and grow our Direct Organic business is on track with growth in revenues and more importantly a significant build-up in the pipeline. During FY15 we won significant deals with TCV of USD 137Mn and this growth has been consistent quarter on quarter. Of this 44% of deals are in the emerging areas of Digital and Global Regulatory and Compliance (GRC) and another 34% of these deals are in the Application Management Services (AMS) space. Digital, GRC and AMS would be the key focus areas in our growth journey in future. Revenues in Direct Organic business grew 5.4% (7% excluding impact of exchange rate movement) on a normalized basis in FY15.

The slower uptick in US housing market resulted in lower loan applications impacting the Digital Risk origination business and settlements by banks with US Government Sponsored Enterprises (GSE) for housing sector impacted the Forensics business. Digital Risk being the largest independent provider of Risk, Compliance and Transaction Management Solutions operates in this space and our performance got impacted

Management Discussion and Analysis of Financial Condition and Results of Operations

by this significantly both in revenue growth and profitability terms for the year ended 31 March 2015. While the revenues in Digital Risk declined in Q2 & Q3 FY15, the performance turned around in Q4 FY15 with significant revenue growth. During Q3 and Q4 FY15, Digital Risk won deals with TCV of USD 115 M which enhances the revenue visibility and growth.

Gross revenues for the year ended 31 March 2015 declined by 8.5% on a normalized basis to ₹ 57,803 million over the 5 months period ended 31 March 2014. Direct Organic business grew by 5.4% on a normalized basis over 5 months period ended 31 March 2014 (growth of 7.0% net of impact from exchange rate movement). Revenues from HP channel continued to decline on account of ramp down by HP customers. HP business was 34% of our total FY15 revenues as compared to 37% in TY14.

(₹ millions)

Market Segment	Year ended 31 Mar 2015		5 months ended 31 Mar 2014	
		%		%
HP Channel	19,904	34%	9,698	37%
Mature Market - Direct Channel	33,222	58%	15,028	57%
Emerging Market - Direct Channel	4,677	8%	1,600	6%
Total	57,803		26,326	100%

Client concentration based on ultimate customer

Given below is the analysis of Client Concentration.

	Year ended 31 Mar 2015	5 months ended 31 Mar 2014
Revenues from Top Client	8%	10%
Revenues from Top 5 Clients	34%	34%
Revenues from Top 10 Clients	48%	47%
Clients Contributing more than:		
\$ 20 million Revenues	9	11
\$ 10 million Revenues	19	19
\$ 5 million Revenues	39	43
\$ 1 million Revenues	102	112

Note: Client Concentration is based on Trailing Twelve Months (TTM)

Client contribution above reflects the impact of ramp-down in HP channel. During the year, we added 27 new clients in direct channel and won significant multi-year deals in our focus verticals of Banking and Capital markets and Insurance.

A segment analysis of revenues for the year ended March 2015 is given below:

(₹ millions)

Segment	Year ended 31 Mar 2015		5 months ended 31 Mar 2014	
		%		%
Banking and Capital Market	23,702	41%	10,906	41%
Insurance	8,125	14%	3,304	13%
Information Technology, Communication & Entertainment	9,578	17%	4,256	16%
Emerging Industries	16,398	28%	7,860	30%
Total Revenues	57,803		26,326	

Focus vertical of Banking & Capital Markets declined by 9.4% on a normalized basis on account of decline in Digital Risk revenues. However, growth in Direct Organic business helped us sustain the contribution of 41% to overall revenues. Insurance segment grew by 2.5% on a normalized basis with revenue contributions from deals won in the space of Digital and AMS.

Management Discussion and Analysis of Financial Condition and Results of Operations

Revenues by Geography

(₹ millions)

Regions	Year ended		5 months ended	
	31 Mar 2015	%	31 Mar 2014	%
AMERICAS	41,310	71%	19,476	74%
EMEA	7,204	12%	3,382	13%
INDIA	5,518	10%	1,973	7%
ROW	3,771	7%	1,495	6%
Total	57,803		26,326	

Revenues from the US market declined by 11.6% on a normalized basis on account of ramp-down in HP channel and decline in Digital Risk revenues. HP channel decline impacted revenues from EMEA as well, which reflects 11.2% decline on a normalized basis over the 5 months period ended March 2014.

Revenues by Service Type

(₹ millions)

Service Type	Year ended		5 months ended	
	31 Mar 2015	%	31 Mar 2014	%
Application Maintenance & Other Services	16,654	29%	7,347	28%
Application Development	13,874	24%	5,661	22%
Customer Service	3,282	6%	1,311	5%
Service / Technical Help Desk	1,405	2%	875	3%
Transaction Processing Service	3,595	6%	1,376	5%
Infrastructure Management Service	10,792	18%	4,764	18%
Knowledge Processes	7,982	14%	4,810	18%
License Income	219	1%	182	1%
Total	57,803		26,326	

Application Maintenance involves maintenance of existing customer software and is mostly undertaken on annuity terms. Revenues declined by 5.6% during the year on a normalized basis on account of HP ramp-down.

Application Development refers to customized software development services based on the requirements and specifications given by customers and documented in a Statement of Work. Revenues grew by 2.1% during the year on a normalized basis.

Customer Services include receivables collection support, product support, enrolment etc. provided to clients through BPO operations. Revenues grew by 4.3% during the year on a normalized basis.

Service/Technical Help Desk comprise of inbound and outbound customer interaction programs including technical product support, customer care and allied services. Revenues declined by 33.1% during the year on a normalized basis on account of HP ramp-down.

Transaction Processing includes claims and mortgage processing, account opening and maintenance, data processing and management. Revenues grew by 8.9% during the year on a normalized basis. Our capabilities in the field of Governance, Risk and Compliance have contributed to this growth.

Infrastructure Management Service include end-to-end managed mobility solutions covering workplace management & other support services, hosting services which comprise of mainframe or midrange, application & web hosting services, Payment Managed Solutions and data centre services focused on migration, automation & other software services. Revenues declined by 5.6% on a normalized basis on account HP ramp-down partly offset by increase in revenues from Payment Managed Services.

Knowledge Processes refer to the outsourcing of relatively high-level processes of the customer and Risk, Compliance and Transaction management solutions in the US housing market. Revenues declined by 30.9% during the year on a normalized basis on account of slump in the US mortgage industry.

Management Discussion and Analysis of Financial Condition and Results of Operations

License Income pertains to the income from license sale in the health care space of the Company's product, Javelina, developed by its foreign subsidiary and from Wynsure, a product of Wyde Corporation, acquired by the Company in 2011.

Revenues by Delivery Location

Delivery Location	(₹ Millions)			
	Year ended 31 Mar 2015	%	5 months ended 31 Mar 2014	%
Onsite	26,039	45%	12,235	46%
Offshore	31,764	55%	14,091	54%
Total	57,803		26,326	

Headcount and Utilization

Decrease in headcount is mainly on account of ramp-down in HP channel.

Headcount *	Year ended 31 Mar 2015	5 months ended 31 Mar 2014
Onsite		
- Application Services	2,343	2,296
- ITO Services	186	212
- BPO Services	1,594	1,813
Offshore		
- Application Services	8,177	8,422
- ITO Services	4,562	6,327
- BPO Services	15,797	15,098
Sales and Marketing	333	376
General and Administration	1,047	1,122
Total	34,039	35,666

* Note: Including billable contractors

Management has continued its focus upon delivering quality at lower cost. Our utilization rates are one of the highest in the industry and this is reflected in FY15 performance.

Utilization Rates	Year ended 31 Mar 2015	5 months ended 31 Mar 2014
Excluding Trainees		
Onsite		
- Application Services	93%	91%
- ITO Services	96%	83%
Offshore		
- Application Services	85%	85%
- ITO Services	93%	93%
- BPO Services	78%	77%
Blended		
- Application Services	87%	86%
- ITO Services	93%	92%
- BPO Services	78%	77%

Management Discussion and Analysis of Financial Condition and Results of Operations

Utilization Rates	Year ended 31 Mar 2015	5 months ended 31 Mar 2014
Including Trainees		
Onsite		
- Application Services	93%	91%
- ITO Services	96%	83%
Offshore		
- Application Services	81%	83%
- ITO Services	90%	89%
- BPO Services	65%	65%
Blended		
- Application Services	83%	84%
- ITO Services	90%	89%
- BPO Services	65%	65%

Revenues by Project Type

Project Type	Year ended 31 Mar 2015		5 months ended 31 Mar 2014	
		%		%
Time and Material	49,396	85%	22,819	87%
Fixed Price	8,407	15%	3,507	13%
Total	57,803		26,326	

(₹ Millions)

Cost of Revenues

Cost of revenues primarily comprise of direct costs to revenues and includes direct manpower, travel, facility expenses, network and technology costs.

Consolidated cost of revenues of the Company was at ₹ 43,423 million for the year ended March 2015. Cost of revenues were 74.9% of revenues as compared to 73.5% during the 5 months period ended March 2014 mainly impacted by Digital Risk performance.

Selling Expenses

Selling expenses for the year ended 31 March 2015 were at ₹ 3,654 million representing 6.3% of our revenues against 6.2% of revenues during the 5 months period ended March 2014. Selling expenses excluding manpower costs were 1.9% of revenues during the year as compared to 1.5% of revenues in TY14. The increase is on account of a one time sales investment made in FY15.

General and Administrative Expenses

General and Administrative expenses for the year ended 31 March 2015 were at ₹ 2,940 million representing 5.1% of revenues against 5.0% of revenues during the 5 months period ended March 2014. Expenses excluding manpower costs were 1.7% of revenues during the year as compared to 1.5% of revenues in TY14.

Operating Profit

Operating profit for the year ended 31 March 2015 was ₹ 7,720 million. Operating margin in FY15 declined by 170 bps to 13.3% on account of provision for aged receivables, higher selling expenses and on account of decline in Digital Risk revenues.

Other Income

Other income of ₹ 1,682 million in FY15 represents an increase of 33.5% on a normalized basis over the 5 months period ended March 2014 on account of higher yield from investments. Gain on foreign exchange for FY15 was ₹ 286 million as against a loss of ₹ 25 million during the 5 months period ended March 2014.

Management Discussion and Analysis of Financial Condition and Results of Operations

Interest expenses

Interest expenses for the year ended March 2015 was ₹ 279 million as against ₹ 111 million for the 5 months period ended March 2014. Working capital loan availed in FY15 increased the expenses for the year.

Income Taxes

Income taxes were ₹ 2,631 million for the year ended March 2015 as compared to ₹ 1,191 million for the 5 months period ended March 2014. The effective tax rate increased from 27.8% during the 5 months period ended March 2014 to 28.0% in the year ended March 2015. During the year, one SEZ facility moved out from 100% tax holiday bracket.

Net Profit

Net profit before exceptional item was ₹ 6,778 million. Net margin before exceptional item for the year ended March 2015 was 11.7% as against 11.9% for the 5 months period ended March 2014.

Net profit after taxes and exceptional item was ₹ 6,746 million for the year ended March 2015. Exceptional items represent a one-time restructuring cost incurred in Digital Risk.

Cash and cash equivalents

The Company's cash and bank balances are held in various locations throughout the world. Cash and bank balances comprise of investments in mutual funds and deposits of any kind with banks. These balances also include amounts that are restricted in use, either as margin monies given to banks for guarantees issued in the normal course of business or amounts held in escrow accounts attributable to commitments made.

An analysis of restricted cash balances as at 31 March 2015 and 31 March 2014 is given below :

	(₹ millions)	
	As at 31 March 2015	As at 31 March 2014
Fixed Deposit - Escrow Account	98	98
Unclaimed dividends	7	8
TOTAL	105	106
Restricted cash as a % of total cash balances	0.8%	2.3%

Company's treasury policy

The Company's treasury policy calls for investing only in fixed deposits of highly rated banks, units of debt mutual funds and fixed maturity plans (FMP) for maturities up to 15 months. Stringent guidelines have been set for de-risking counter party exposures. The Group maintains balances both in Indian Rupee and foreign currency accounts in India and overseas. The investment philosophy of the Group in general is to ensure capital preservation and liquidity in preference to returns. All current investments have been recorded at lower of cost or net realizable value and non-current investments have been recorded at cost.

Off balance sheet arrangements

As part of its ongoing business, the Company does not participate in transactions that generate relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or Special Purpose Entities ("SPEs"), which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. As of 31 March 2015 the Company was not involved in any material unconsolidated SPE transactions.

Directors' Profile

Dr. Friedrich Froeschl, Chairman

Dr. Friedrich Froeschl, Chairman of Board of Directors, joined the Board of Mphasis in March 2009. Dr. Froeschl is a Physicist with PhD and an executive MBA from INSEAD, Fountainebleau, France. He currently heads "HI TEC INVEST GmbH & Co. KG" and "HI TEC INVEST INC., New York, USA", which is a private equity operating partner and advisory company with focus on Information and Communication Technology Industries. Prior to founding HI TEC INVEST in October 2004, Dr. Froeschl was associated with Siemens AG as a member of the worldwide managing board and later as Corporate Executive Vice President for Corporate Information and Operations (CIO) being in charge for all IT business in Siemens AG.

He was a member of the Board of Siemens Corporation, in the USA, Siemens in China, Fujitsu Siemens Computers in Tokyo and for Siemens Information Systems Limited, in India. In 1995, he joined Siemens Business Services as the worldwide President & CEO, and grew it until end of 2001 to over 6 Billion USD in revenues, with 33,000 people and representing the company in over 44 countries. In 2002, he was appointed as a Member of the Managing Board and Corporate Vice President for CIO of the entire Siemens organization. During his career at Siemens, he has been in-charge of multi-billion dollar budgets and covered all ICT related aspects including procurement, cost optimization, e-business and process management. He is also a Director on the Boards of ICT Automatisering N.V., Netherlands and PE-International AG in Germany.

Prior to Siemens, Dr. Froeschl was the CEO in Central Europe of Computer Sciences Corporation Inc, a major global player in IT, Outsourcing and Consulting based in Germany. Before that, he held positions as Vice President and Business Head at Digital Equipment Corporation and Messerschmitt-Bölkow-Blohm (today EADS) respectively. Dr. Froeschl was also a member of the Board of Amadeus S.A. in Spain and the Federal Printer (bank notes, passports etc.), Germany. 2009 to 2012 he was one of 33 members of the nomination committee of the World Economic Forum in Davos for Tec pioneers. From the year 2008 to 2012 he was Senior Advisor to the CEO and Boards of extremely successful Silicon Valley companies like Jive Software and Success factors, today SAP.

In 2011 and 2012 he participated in the first group of senior executives in the International Independent Directors Program of INSEAD on Corporate Governance. He is member of ICGN – International Corporate Governance Network focusing on good practices for Corporate Governance, Compliance and Board work.

Throughout his career, Dr. Froeschl has been actively involved in both larger multi-billion dollar deals as well as mid-size M&A projects.

Mr. James Mark Merritt, Vice Chairman

Mr. James Mark Merritt joined the Board of Mphasis in February 2013. He is the Senior Vice President of HP's Enterprise Group business for the Asia Pacific and Japan (APJ) region. In this role, he is responsible for the development and delivery of server, storage, networking and technology services solutions that support HP's Converged Infrastructure strategy. Mr. Merritt also shares responsibility as Managing Director for the APJ region playing a vital role in building on HP's leadership position and delivering on the unmatched potential of "one HP" in the region.

Prior to joining HP, Mr. Merritt spent 13 years at Dell where he held a variety of global and regional management positions. Before moving to HP, he was general manager of Dell's Global Sales Division, where he oversaw the delivery of Dell's enterprise solutions to corporate customers.

Mr. Merritt also spent 15 years with IBM, where he held positions in engineering, service management and product marketing. Before moving to Dell, Mr. Merritt was Vice President of Worldwide Marketing and Strategy for the IBM Server Group.

Mr. Merritt holds a Bachelor of Science degree in Mechanical Engineering from the University of Florida and a Master in Business Administration from Georgia State University.

Mr. Balu Ganesh Ayyar, Chief Executive Officer

Mr. Balu Ganesh Ayyar joined Mphasis as the CEO in January 2009. Mr. Ayyar is the member of the Board and is an Executive Director of Mphasis. He leads the overall Management of the Company.

Mr. Ayyar won the NDTV Profit Business Leadership Awards 2010 in the category of Diversity and Inclusion and the India Talent Management Award at the CNBC TV 18 India Business Leader Awards (IBLA) 2012. He received these awards from the Finance Minister of India. He was also the recipient of the Asia Viewers Choice Award in the 10th CNBC Asia Business Leader Awards 2011.

Directors' Profile

In June 2013, Mr. Ayyar was recognized for his work and conferred the 'THOUGHT LEADER' by Stars of the Industry.

In 2015, Corporate Live Wire Innovation & Excellence recognized Mphasis in the category of Innovation & Excellence in Global Technology Solution Services and Mr. Ayyar as the 'Most Innovative CEO'.

Mr. Ayyar joined Mphasis from HP where his last assignment was that of Vice President, Managed Services, Asia Pacific and Japan, leading selective sourcing and small and medium outsourcing deals. At HP, he held several key assignments including being the President of HP India in 1999. He was the co-lead for pre-merger Integration Planning for HP-Compaq Merger for Asia Pacific and Japan.

Mr. Ayyar also held the office of Vice President of HP Services for South East Asia and lead customer support, consulting & integration, and Managed Services business. With more than 25 years of experience, Mr. Ayyar's career has spanned across South East Asia (Singapore, Malaysia, Thailand, Philippines, Indonesia, Vietnam and other Asian Emerging Countries) and India.

Born in India, Mr. Ayyar is a Chartered Accountant from Institute of Chartered Accountants of India.

Mr. Davinder Singh Brar, Director

Mr. D.S. Brar joined the Board of Mphasis in April 2004. Mr. Brar graduated with a Bachelor of Engineering (Electrical) degree from Thapar Institute of Engineering & Technology, Patiala. He further completed his Masters Degree in Business Administration with top rank (Gold Medal) from the Faculty of Management Studies, University of Delhi. After having started his career in 1974 with The Associated Cement Companies Limited (ACC), Mr. Brar has been associated with the Pharmaceutical Industry for three decades. Mr. Brar spent major part of this period (1977 – 2004) with Ranbaxy Laboratories Limited – India's largest Pharmaceutical company at various positions and rose to the level of President in 1993. He became the CEO & Managing Director of Ranbaxy in 1999. Mr. Brar stepped down from this position in 2004 to start his entrepreneurial journey and ventured into GVK Biosciences - a leading contract research organization providing Discovery & Development services to Global Life Sciences companies. Mr. Brar also promoted Inogent Labs - an early development/scale up company in Hyderabad and Davix Management Services - Pharmaceuticals focused Consulting/Advisory Services Company.

Mr. Brar currently holds Board positions in various Indian and International companies like Maruti Suzuki India Limited, Wockhardt Limited, Gland Pharma Limited & Mountain Trail Foods (India) Pvt. Ltd. He is also Special Advisor to the Board of Directors of Adamas Pharmaceuticals Inc., Senior Advisor to Kohlberg Kravis Roberts (KKR) and member of the Advisory Board of the USA-India Chamber of Commerce (USAIC). From 2000–2007, Mr. Brar served as a Director of Reserve Bank of India (RBI) and was also a Member of the Inspection and Audit Sub-Committee of the Central Board of Directors of the RBI.

Mr. Brar has been involved with some of the premier Research and Educational Institutions in India. He has served as a Member on the Board of National Institute of Pharmaceutical Education and Research (NIPER), SAS Nagar, Punjab.

Mr. Brar has been involved with several leading industry associations in India. He was associated with Confederation of Indian Industry (CII) where he Chaired CII's Indian MNC Council and with Federation of Indian Chambers of Commerce and Industry (FICCI) in the past. Mr. Brar was a Member of Prime Minister's Task Force on pharmaceuticals and knowledge-based industries which drafted the blue print for the growth and global expansion of Indian Pharmaceutical Industry including R&D and Pricing policies. He is currently member of Consultative Group on Exports of Pharmaceutical Products, under the Chairmanship of Hon'ble Minister of Commerce, Industry and Textiles, Government of India. For his service and contribution to the pharmaceutical industry, Mr. Brar was honoured with the Dean's Medal from the Tufts University School of Medicine, U.S.A. in 2004. The Federation of Asian Biotech Associations (FABA) conferred on Mr. Brar the "FABA Special Award 2011" for his contribution to the biopharma sector.

Mr. Narayanan Kumar, Director

Mr. Narayanan Kumar joined the Board of Mphasis in February 2013. He is the Vice Chairman of The Sanmar Group, a multinational US \$ 1 billion conglomerate headquartered in Chennai, India with manufacturing facilities in India, the US, Mexico and Egypt. The Group is engaged in key business sectors - Chemicals (including Speciality Chemicals), Engineering (Products and Steel Castings) and Shipping.

He is the Honorary Consul General of Greece in Chennai.

Directors' Profile

Mr. Kumar is on the Board of various public companies and carries with him over four decades of experience in the spheres of Electronics, Telecommunications, Chemicals, Engineering, Technology, Management and Finance. Mr. Kumar is the Chairman of National Accreditation Board for Certification Bodies which is a constituent of Quality Council of India. He is also a member of the Board of Governors of Institute for Financial Management & Research.

As a spokesman of Industry and Trade, he had been a President of CII and participated in other apex bodies. He presently chairs the CII Institute of Quality, Bengaluru. He is also the President of the Indo-Japan Chamber of Commerce & Industry.

Mr. Kumar has a wide range of public interests going beyond the confines of corporate management in areas of health, social welfare, education and sports. He is the Chairman of Madhuram Narayanan Centre for Exceptional Children and Managing Trustee of The Indian Education Trust which runs two Schools. He is an avid golfer and a patron of cricket and tennis.

Mr. Kumar is an Electronics Engineering Graduate from Anna University, Chennai and a fellow member of the Indian National Academy of Engineering. He is also a fellow life member of The Institution of Electronics and Telecommunication Engineers.

Mr. Lakshmikanth K Ananth, Director

Mr. Lakshmikanth K Ananth joined the Board of Mphasis in February 2013. He is Vice President - Corporate Development at Hewlett-Packard and Managing Director of Hewlett-Packard Ventures. In this role, he leads M&A strategy for Hewlett-Packard and oversees the company's strategic investments. He led the acquisitions of Eucalyptus and Shunra, the strategy behind the acquisition of Aruba and the investment in Hortonworks. He was a key member of the team that developed the strategy and drove the decision for HP to separate into two industry-leading public companies.

Prior to joining HP, Mr. Ananth worked in corporate development at Cisco Systems. There, he led multiple transactions including acquisitions, investments, joint ventures, and divestitures. Most notably, he was instrumental in the \$2.9 billion acquisition of Starent Networks, the \$1.2 billion acquisition of Meraki and investment in Control4.

Before Cisco, Mr. Ananth was a venture capital investor in Silicon Valley, where he invested in several companies such as Cortina Systems, Digital Chocolate, IMVU, Jasper Wireless, and Open-Silicon. Previously, he was with 3i Private Equity in Asia, where he specialized in growth of capital investments in India and formulated 3i's venture capital strategy for that geography. Earlier, he was a Director with Cambridge Technology Partners, managing large product development teams for clients ranging from start-ups to Fortune 50 companies.

Mr. Ananth holds an MBA with distinction from INSEAD, an MS from Kansas State University, and a BE from Guindy Engineering College, India, where he was a Gold Medalist.

Mr. Shankar Maitra, Director

Mr. Shankar Maitra joined the Board of Mphasis in December 2013. Mr. Maitra is the Vice President of Financial Solutions at Hewlett-Packard, leading the worldwide finance shared service organization providing accounting and financial systems solutions to various stakeholders within HP.

Prior to joining HP in 2011, he worked for Motorola for 14 years in a variety of worldwide, regional and country finance roles including Regional Business CFO, controllership, finance leadership development and facility management. In his last assignment as the Vice President, Global Financial Shared Services-Motorola Solutions, he set up a Finance Center of Excellence in Penang, Malaysia.

Mr. Maitra began his career in India as Management Trainee with Tribeni Tissues (BAT group) and continued a career in Finance with large Indian conglomerates like ITC (BAT group) and Shaw Wallace, gaining multi disciplinary experience in Business Turnarounds, Treasury, IPOs, Factory Administration and Trade union negotiations besides the usual core Accounting, Tax and Costing functions.

He is an Indian born Singapore citizen and has worked throughout the Asia Pacific region including in India, Singapore, China and Taiwan. He is based in Singapore.

He is a B.Com graduate from the University of Pune and a fellow member of the Institute of Chartered Accountants of India.

Directors' Profile

Mr. Stefan Antonio Lutz, Director

Mr. Stefan Antonio Lutz joined the Board of Mphasis in February 2014.

Mr. Lutz is the worldwide leader of Inside Sales for the Hewlett-Packard Enterprise Group.

At Hewlett-Packard, Mr. Lutz is responsible for driving the global strategy and investment programs, building the annual sales plans, and setting, monitoring, and managing order performance goals for Enterprise Group Inside Sales.

Mr. Lutz prior HP experience involved serving as Vice President and General Manager for Technology Services, Sales, Marketing and Operations. His teams drove and executed Sales, Marketing and Channel programs on a global basis for Technology Services, the services arm of HP Enterprise Group. Previously, he led the HP relationship with large enterprise accounts; some of the largest and most significant in the HP portfolio. Mr. Lutz teams were recognized by clients and the IT industry through several client excellence and industry awards.

Prior to HP, Mr. Lutz experience featured successful executive sales, operations, and general management positions in consulting and outsourcing services with major industry firms. These included infrastructure services, applications services, and business process outsourcing across multiple disciplines, all with particular focus on the consumer packaged goods, retail, pharmaceutical and manufacturing industries.

Currently based in Chicago, Mr. Lutz holds a bachelor's degree in Administrative Studies from the University of California, Riverside. In the early years of his career he completed a systems engineering development program and later, graduate level programs at several business schools.

Mary Teresa Hassett, Director

Ms. Mary Teresa Hassett joined the Board of Mphasis in September 2014. Ms. Hassett is the Vice President, Human Resources for APJ HRGO. In this role, Ms. Hassett leads the team who provide HR support to employees across all businesses and functions in the Asia Pacific region. She is also a member of the APJ leadership team and an extended member of the leadership team for the EVP HR.

Prior to this role, Ms. Hassett was the Vice President, Human Resources for the Image and Printing Group in APJ with dual responsibility for the Global Customer Support organization.

Before this, Ms. Hassett was the Vice President, Human Resources for the global Finance organization, supporting the CFO and leadership team. In addition, she had responsibility for the Global Functions in APJ. In this capacity, she was responsible for leading talent management, compensation, employee engagement and workforce management for Finance employees around the world and Global Functions APJ.

Ms. Hassett has also served as HR leader for the Consumer PC and Workstations business units in PSG and as HR leader for Tax, Treasury, IR and Global Function Finance. She has experience working in Ireland, the USA, Australia and Singapore.

She joined HP in 1995 when HP opened its Dublin Ink Jet Manufacturing organization (DIMO) and spent 7 years in various roles of increasing responsibility spanning Staffing, Benefits, Relocation and Compensation.

Ms. Hassett has a Bachelor's Degree in Business Studies & French specializing in HR from the University of Limerick.

Board's Report

Dear Shareholders,

We have pleasure in presenting to you the twenty fourth Annual Report of your Company for the year ended 31 March 2015.

FINANCIAL PERFORMANCE

Key aspects of the financial performance of Mphasis are tabulated below:

(₹ million)

Particulars	CONSOLIDATED		STANDALONE	
	Year ended 31 March 2015	Period ended 31 March 2014*	Year ended 31 March 2015	Period ended 31 March 2014*
Revenues	59,915	26,460	31,886	13,752
Profit before taxation	9,377	4,218	7,317	3,074
Net Profit	6,746	3,027	5,530	2,231
Provision for Proposed Dividend	3,362	1,471	3,362	1,471
Tax on Dividend	685	250	685	250
Transfer to General Reserve	553	223	553	223

Note: Rounded off to the nearest integer.

* Represents five months period ended 31 March 2014. Accordingly, the previous year's figures are not comparable.

A detailed analysis of performance is available in the section headed Management Discussion and Analysis of Financial Condition and Results of Operations in this Annual Report.

OUTLOOK

Your Company's Customers and the market place are investing in becoming a Digital Enterprise. This trend is very potent and visible. Your Company has been transforming and investing to bring greater value to our clients in this space. The Service Excellence and Customer Centricity in traditional IT and BPO services has laid a good foundation for the Company to be invited for the Digital space. In FY 2015, we had some good wins in the Digital area.

Your Company has always been invested in working with clients to work with them in enabling customer facing channels, systems and processes. This expertise has enabled the Company to launch Digital Customer Experience Management Solution. Omni Channel Interaction, Persona based Digital Marketing, Closed Loop Experience Management are some of the aspects of this solution. These are examples of the strides that your Company is making in Digital area. Road ahead for all IT Services Companies is one of intense transformation while retaining some core values of Service Excellence and Customer Centricity. There seem to be gold rush towards Digital, such a rush does create lot of noise in the system. Your Company's role would be to bring real value to the clients, helping them generate good Returns on their Investment (ROI). This would require sustained commitment, deep expertise and good blend of domain expertise, specialized partnership, technology and process expertise.

Your Company's clients, especially in BFSI industry are investing heavily in Governance, Risk and Compliance (GRC) solutions and processes. Your Company has been playing an active role in this area, acquisition of Digital Risk in FY 2013 has further strengthened the Company's ability to serve the Clients in GRC. Your Company is focused on bringing innovation to help the Clients to be compliant with minimal disruption enabling them to leverage their existing investment. Such an innovation will be of great value and the Company is poised to test this innovation through pilots in FY 2016. Your Company will take greater stride in this team in FY 2016 to be acknowledged as a specialized player bringing unique value to our Clients.

Traditional IT Services and BPO space will experience greater cost compression. This trend will accelerate in FY 2016 and beyond. Innovative business/commercial model combined with ROI based automation will be key to success. Future success in this area is predicated on transformation from human heavy services to human light services by leveraging automation. Such a transformation would require management delicate stakeholder balance. Your Company will continue to stay committed for delivering to all the stakeholders including customers, employees and the society that we operate in. Building long term sustained value will be our main endeavor and we are confident, our customer intensity, our talented team and our track record give us the confidence that we will emerge successful as the world shifts to Digital.

SALE OF DOMESTIC BPO BUSINESS *

Your Company had executed a Business Transfer Agreement on 30 June 2015 for transfer of significant portion of domestic India business to Hinduja Global Solutions Limited. Further to this, a second definitive agreement was executed on 10 July 2015, to transfer certain portion of your Company's domestic India business to Karvy Data Management Services Limited. The execution of the above agreements is subject to regulatory approvals and fulfillment of closing conditions. The sale of the domestic business will result in transfer of about 10,000 employees of the Company.

Board's Report

Your directors are confident that the above transactions would release the bandwidth of the Senior Management and enable the Company to intensify the focus in Global business in Digital, Governance Risk and Compliance (GRC), Application Maintenance Services (AMS), International BPO business and Infrastructure Services (IS).

DIVIDEND

Your directors are pleased to recommend a final dividend of ₹ 16 per equity share of ₹ 10 each for the financial year ended 31 March 2015, subject to your approval at the ensuing Annual General Meeting.

INTELLECTUAL PROPERTY RIGHTS

The Company has filed its third patent application in the area of "Governance Risk and Compliance" (GRC) for the Banking and Capital Markets sector. This patent is a method and system for regulatory compliance for financial institutions using intelligent learning systems and transforms the experience of compliances for the users.

The Mphasis NEXT Labs and a Virtual Innovations Lab has been set up which work on developing core technologies, tools, utilities, solutions, thought leadership and frameworks thereby building an intellectual property asset portfolio for the Company. "HyperGraf" is the first Mphasis Next Labs solution, which is an Omni-channel digital 360° solution that transforms enterprise decision making by providing accurate, real-time and actionable Customer Engagement Insights across millions of data points spread over multiple customer engagement channels.

ENTERPRISE RISK MANAGEMENT

The Company has an elaborate Enterprise Risk Management (ERM) Programme to proactively identify, mitigate, monitor and reports risks across the enterprise. The updates on the development and implementation of the ERM Programme are reviewed by the Audit Committee on a quarterly basis. A detailed analysis on the formulation, implementation and monitoring of the Risk Management Plan is available in the section headed Management Discussion and Analysis of Risks and Concerns.

CORPORATE GOVERNANCE

Your Company strongly believes that the spirit of Corporate Governance fetches beyond the statutory acquiescence. Corporate Governance is a driver of sustainable corporate growth and long term value enhancement for the stakeholders. Your Company endeavors to meet the growing aspirations of the stakeholders and is committed to maintain the highest standards of transparency, fairness, accountability and equity in its operations. Your Company has complied with the requirements of revised Clause 49 of the Listing Agreement with the Stock Exchanges and the governance requirements under the Companies Act, 2013. A report on Corporate Governance is annexed and forms part of this report.

EMPLOYEES

In line with your Company's refreshed brand promise – Unleash the Next, the Human Resources (HR) Strategy too unleashed new dimensions of people practices in FY 2015. The rebranding exercise was a key milestone for your organization, and translating the new mission, vision and values into behaviors and actions was the core focus in the first quarter. Interactive workshops on Mphasis values, new lanyards and refreshed appreciation cards for peer recognition helped to bring the new brand to life for every employee.

Through the course of the year, HR at Mphasis expanded its footprint into the digital space as well. We reached thousands of candidates through Mphasis Careers on Facebook, Twitter, LinkedIn and Google+. In an active effort to integrate social networks into our hiring process, we launched the #MphasisIntern campaign to recruit interns through Twitter and Slideshare. #MphasisIntern achieved 21.5 Million views through 46,600 tweets/retweets leading to a 300% increase in the followers of @mphasiscareers.

The Employee Engagement Team hosted several initiatives this year, with special focus on our employees' health and wellness. Going beyond the work place, we celebrated 'Bring your Child to Work' and 'Bring your Parents to Work', thus opening our doors to the extended Mphasis' families as well. To recognize long standing loyalty and support to your Company, 550 employees were felicitated for their tenure as part of the annual 'Pillars' program. An exclusive Mphasis Anthem was unveiled featuring Mphasis employees in the video which has achieved over 9000+ views on Youtube. At Mphasis, we have created a group, known as 'Samaritan', of well-meaning individuals who have come together under the Employee Engagement banner to help make our Corporate Social Responsibility a more engaging and meaningful experience on a larger scale. These 'Samaritans' volunteer to contribute to various areas in our society dealing with issues relating to women, children, disability and education.

In our constant effort to enrich Mphasis as a workplace, we launched the MAPLE Survey in FY 2015. This survey is an indigenous employee survey, based on the net promoter score methodology. Taking employee empowerment to another level, many policy changes were implemented as per the recommendations shared by a closed group of employees.

Board's Report

Learning continues to be a key priority and an entire week was dedicated to it in FY 2015. The Learning Week, spread across five days of self-directed learning events, offered a total of 95 programs covering technical, domain and leadership topics. Leader Talks, Panel Discussions and 'Lessons from Movies' were offered as exclusive sessions and excitement was created through the use of social media with live tweets and contests for innovative tweets. Client University framework has been developed to cater to the needs of focused learning for each of our accounts.

In keeping with our strategy for FY 2015, Digital Guild was launched as one of the initiatives to promote the growth of specialists in the digital space at Mphasis. It is based on the traditional concept of an association of artisans or merchants. The framework will help us to create a group of specialists in certain fields that are aligned to our strategy.

While our flagship leadership programs such as Future Leaders Programs (FLP) and Aarambh, continued to build stronger leadership pipelines from young talent, our Integrated Leadership Development framework helped us to create a pool of ready leaders at front, middle and senior levels within Mphasis.

In order to enable employees to manage their careers better, the Career Management Portal was launched for all Mphasis employees. It enables employees to gather role related information, understand their roles better, gauge themselves accurately, check role requirements for other profiles and find aspirational match. It also helps employees to set and work towards their career goals and design development plans with action items to achieve those goals.

Being a Company with specialists having innovative and inquisitive minds, a new concept of innovation goal was developed in FY 2015. This empowers employees to think, innovate and improve their own competencies or productivity by including a self-driven goal, in agreement with the manager, aligned to the business outcomes. This goal focuses on innovation and customer centricity.

As on 31 March 2015, our total employees and strength (inclusive of billable contractors) stands at 33,301.

COMMUNITY OUTREACH

Corporate Social Responsibility

Mphasis has always been committed to meaningful Corporate Social Responsibility (CSR) and it is closely aligned with the organization's mission of being at the confluence of people, profit and planet. Our CSR activities are being carried out through Mphasis F1 Foundation. The Company has a CSR Policy as required under the provisions of law and the same is hosted on the website of the Company at <http://www.mphasis.com/CorporateGovernance.html>. The CSR Committee of the Board approves the CSR Budget and monitors the implementation of the CSR Policy.

"Ensure measurable social change through self-sustenance models in locations where Mphasis has a presence, creating brand distinction and visibility for our efforts globally", is the CSR vision of Mphasis and the driving tenets of our CSR are as follows:

1. Focus on a few topic areas and drive excellence in them;
2. Maximize impact with the deployed resources; and
3. Drive innovative solutions in the social space in line with the Company's motto of "Unleash the Next".

In line with the above, the CSR Policy of the Company focuses on the following:

1. Creating opportunities for the disadvantaged with an emphasis on persons with disabilities; and
2. Technology driven community development.

Mphasis also aims to orient our CSR strategy around an open CSR platform which will provide an interaction mechanism for a wider set of stakeholders, namely, non-profit organizations, companies, individuals, research institutes and technology incubators.

A major new program that we supported during the year was NASSCOM Social Innovation Forum (NSIF), India's leading "Tech for Good" Platform to identify, fund and mentor promising social enterprises leveraging technology.

CSR Committee

In terms of Section 135 of the Companies Act, 2013 and Rules made thereunder, the Board has constituted a CSR Committee comprising Mr. Narayanan Kumar, Mr. D S Brar, Ms. Mary Teresa Hassett and Mr. Balu Ganesh Ayyar as its members. As required under the Companies Act, 2013, the CSR Annual Report in the prescribed form is annexed and forms part of this Report.

During the year, the Company had spent ₹ 33.19 million (of which ₹ 21.88 million is recognized as CSR expenses as per the law), as against mandated spent of ₹ 139.30 million. Considering the new statutory framework under the Companies Act, 2013, sizeable time and efforts were spent in formulating an impactful and coherent CSR Policy, devising the strategy, formulating internal framework for grant making process, capacity building of the CSR team, monitoring and evaluation process and identifying credible partners with innovative project proposal and evaluating proposals for scalability and policy fitment. The Board believes that initial set up undertaken during the year in terms of the CSR Policy, CSR frameworks, CSR process and controls will enable the Company to scale up the CSR activities in future and support the Company's commitment to its meaningful CSR activities.

Board's Report

Prevention of Sexual Harassment

Your Company's Code of Business Conduct (COBC) provides broad directions as well as specific guidelines for all business transactions. The emphasis is on human rights, prevention of fraudulent and corrupt practices, avoidance of conflict of interest, prevention of Sexual Harassment and unyielding integrity at all times. Mphasis is committed to the provision of a workplace, free of Sexual Harassment ("SH") and to provide a redressal mechanism for all complaints of SH without fear or threat of reprisals in any form or manner whatsoever. The work place in context of SH is not restricted to the office but includes extended work areas such as client place, work related travel, cafeterias and Company sponsored events, to name a few.

In compliance with the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has established Internal Complaints Committees at all its locations. During FY 2015, 60 complaints were received, out of which 53 complaints were disposed in terms of the aforesaid Act as on 31 March 2015. Complaints not yet disposed are being investigated and are within the prescribed time limits.

Establishment of Vigil Mechanism

Mphasis Code of Conduct requires directors, officers and employees to observe high standards of business and personal ethics in conduct of their duties and responsibilities. As employees and representatives of the Company, they must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations. The Company has a Whistleblower Policy to enable persons who observe unethical practices (whether or not a violation of law), to approach the Whistleblower Custodian without revealing their identity, if they choose to do so. This Policy governs reporting and investigation of allegations that are breach of Code of Business Conduct. This Policy covers all Mphasis group companies and its affiliates and further extends to all Mphasis suppliers and contractors engaged in rendering the services.

The Chairman of the Audit Committee is the Ombudsperson under the Whistleblower Policy. The complainant is provided access to the Ombudsperson where the complainant feels that the complaint has not been addressed in a timely and appropriate manner. The Whistleblower Policy is published on the Mphasis website at <http://www.mphasis.com/contact.html>. The Whistleblower campaign is carried across the Company on a periodic basis to ensure that the employees are aware of the existence of such reporting mechanism.

GREEN INITIATIVE

The Companies Act, 2013 has recognized the electronic delivery of the documents. In compliance with the provisions of the Companies Act, 2013, rules made thereunder and to support the green initiative in Corporate Governance, the Company proposes electronic delivery of Notices for General Meetings, Annual Reports and other communications to the members through e-mail. The e-mail addresses indicated in the respective Depository Participant (DP) accounts will be deemed to be the registered e-mail address of the members holding shares in dematerialized form and shall be used for electronic delivery of the documents. Members holding shares in physical form who have consented in writing for receiving documents by electronic mode shall be considered for electronic delivery of the documents. Members holding shares in electronic or physical mode, who have not registered their e-mail addresses and changes therein, are therefore requested to get their e-mail addresses registered or updated with the DP or the Company, as the case may be.

Full text of the above said documents will also be displayed on the website of the Company, www.mphasis.com and all other applicable requirements under the provisions of the Companies Act, 2013 and rules made thereunder will be duly complied with. In case any member would like to receive physical copies of these documents, the same shall be forwarded upon request.

Pursuant to Section 108 of the Companies Act, 2013 (Companies Management and Administration) Rules, 2014 and Clause 35B of the listing agreement, your Company is pleased to provide the e-voting facility to its members to vote on the resolutions proposed at the ensuing Annual General Meeting. The detailed instructions in connection with the e-voting are given in the Corporate Governance Report and notice of the Annual General Meeting.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Ms. Mary Teresa Hassett was appointed on the Board as an additional director effective 30 September 2014. Pursuant to the provisions of Section 161 of the Companies Act, 2013, the additional director holds office until the date of the ensuing Annual General Meeting. However, the Company has received notice under Section 160 of the Companies Act, 2013, from a member along with requisite deposit proposing the candidature of the additional director to the office of directorship. Accordingly, necessary resolution in relation to the appointment of the director is placed before the members at the ensuing Annual General Meeting. The Board recommends the appointment of the director. Ms. Mary Teresa Hassett is also the Woman Director appointed under the provisions of the law.

The Company has received notices from a shareholder proposing the appointment of all the existing Independent Directors for tenure as allowed under the provisions of the law. Accordingly, necessary resolution in relation to appointment of Independent Directors is also placed before the members at the ensuing Annual General Meeting. The Company has received declarations from all the Independent Directors confirming that they meet the criterion of independence as per law and have consented for being appointed as an Independent Director.

All of above Independent Directors are eminent personalities in their respective fields. Considering their vast experience and knowledge, the Board considers that their continued association would be of immense benefit to the Company.

Board's Report

Mr. Chandrakant D Patel resigned from the Board effective closing hours of 30 September 2014. He joined the Board in December 2012. The Board places on record its appreciation for the valuable services rendered by him during his tenure as a director.

Further, in accordance with Section 152 of the Companies Act, 2013, Mr. Shankar Maitra and Mr. Stefan Antonio Lutz will retire by rotation and are eligible for re-election.

Further to review of the assessment carried out and taking in to account the recommendations of the Nomination and Remuneration Committee, the Board recommends the appointment of the above directors in the ensuing Annual General Meeting.

The profiles of the present directors including the directors seeking appointment and re-appointment at the ensuing Annual General Meeting are provided in the Annual Report.

During the year, Mr. V. Suryanarayanan, Interim Chief Financial Officer was appointed as the Chief Financial Officer of the Company effective 1 August 2014.

STATUTORY AUDITORS

S R Batliboi & Associates LLP (registration No.101049W), Chartered Accountants have completed 7 years tenure as the Statutory Auditors of the Company. In view of the provisions of Companies Act, 2013 and the rules made thereunder, they are eligible to be re-appointed as auditors for another term of 3 years.

S R Batliboi & Associates LLP (registration No.101049W), Chartered Accountants, being eligible for re-appointment, in terms of provisions of Section 141 of the Companies Act, 2013, have expressed their willingness to continue in office from the conclusion of this Annual General Meeting till the conclusion of twenty seventh Annual General Meeting. A resolution proposing their re-appointment from the conclusion of this Annual General Meeting till the conclusion of the twenty seventh Annual General Meeting of the Company subject to ratification of their appointment at every Annual General Meeting, at a remuneration to be fixed by the Board of Directors and billed progressively, is submitted at the Annual General Meeting.

The Board recommends the appointment of the Statutory Auditors.

SECRETARIAL AUDITOR

The Board in its meeting held on 13 February 2015 approved the appointment of Mr. S P Nagarajan, Practising Company Secretary, as the Secretarial Auditor of the Company for the financial year ended 31 March 2015. As required under the provisions of Section 204 of the Companies Act, 2013, the secretarial audit for FY 2015 has been concluded and the Secretarial Audit Report in Form No. MR-3 is annexed and forms part of the Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Information as per Section 134(5) of the Companies Act, 2013, is annexed and forms part of the Report.

OTHER DISCLOSURES

SUBSIDIARIES

As on 31 March 2015, your Company has subsidiaries in Australia, Belgium, Bulgaria, Canada, France, Germany, India, Ireland, Mauritius, the Netherlands, People's Republic of China, Republic of Indonesia, Philippines, Poland, Singapore, the United Kingdom and the United States of America.

As per Section 129 of the Companies Act, 2013, statement containing salient features of the financial statements of subsidiaries in the prescribed form is annexed to this Report.

During the year, the Hon'ble High Court of Karnataka had approved the amalgamation of Mphasis Finsource Limited with the Company vide its Order dated 18 August 2014 with effect from 1 April 2013, being the effective date of the amalgamation. The copy of the Order was filed with the Registrar of Companies as required under Companies Act, 2013 and with the Stock Exchanges.

The latest audited accounts of the subsidiary Companies are available for inspection of the members at the Registered Office of the Company and is also being uploaded on the website of the Company, www.mphasis.com. A copy of the same shall be sent to the members upon request.

EMPLOYEES STOCK OPTION PLANS AND RESTRICTED STOCK UNIT PLANS

Your Company's Employee Stock Option Plans (ESOP) are administered through the BFL Employees Equity Reward Trust and the Restricted Stock Unit Plans (RSUs) and Mphasis Employees Stock Option Plan - 2012 (ESOP 2012 Plan) are administered through Mphasis Employees Benefit Trust.

Board's Report

Your Company currently has three stock option plans in operation, namely, ESOP 1998 Plan (Version I and II), ESOP 2004 and ESOP 2012, in addition to the RSU 2010 Plan and RSU 2014 Plan. During the year, 1,300 shares were allotted under ESOP 1998 Plan II and 4,702 shares were allotted under ESOP 2004 against exercise of options by the employees. Further, pursuant to exercise applications made by the employees, the Company has transferred 26,675 equity shares towards exercise of RSUs under RSU 2010 Plan.

The Company is in the process of aligning to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and shall comply with the new regulations within the statutory time limits prescribed thereunder. The information to be disclosed as per SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Companies (Share Capital and Debentures) Rules, 2014, are annexed and forms part of this Report.

Further to approval of the shareholders at its Annual General Meeting held on 30 July 2014, during the year, the Company obtained in-principle approval for the Restricted Stock Units Plan 2014 (RSU 2014) from Bombay Stock Exchange Limited on 28 August 2014 and the National Stock Exchange of India Limited on 1 September 2014. Further to this, the ESOP Compensation Committee granted 470,000 stock units to eligible employees on 20 October 2014.

DIRECTORS' INTEREST AND RELATED PARTY DISCLOSURES

No director was interested in any contracts or arrangements existing during or at the end of the year that was significant in relation to the business of the Company. No director holds any shares or stock option in the Company as on 31 March 2015 except Mr. Balu Ganesh Ayyar, Chief Executive Officer, who holds 17,010 shares and Restricted Stock Units and Stock Options aggregating to 94,000 units. None of the directors had any other interest in the share capital of the Company as at 31 March 2015. The particulars of the contract or arrangements with the Related Parties in form AOC-2 is annexed and forms part of this report.

FORMULATION OF RESTRICTED STOCK UNITS PLAN 2015 *

The Board of Directors of the Company, in its meeting held on 29 July 2015, has proposed to institute Mphasis Restricted Stock Unit Plan 2015 (RSU 2015) with the underlying shares not exceeding 2.5 million equity shares, with a view to achieve management participation in the ownership and growth of the Company and to encourage value creation and value sharing with key employees and to retain such key employees.

The RSUs are proposed to be granted at the face value of ₹ 10 per share and the shares arising out of the exercise of RSUs is proposed to be acquired from market. The RSU 2015 Plan would conform to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and applicable provisions of the Companies Act, 2013. In line with the provisions of the law, necessary resolutions in relation to the RSU 2015 are placed before members for approval.

SHARE CAPITAL

The Issued Share Capital of the Company as on 31 March 2015 stood at ₹ 2,101 million and Reserves and Surplus stood at ₹ 52,696 million (consolidated basis) and ₹ 38,394 million (standalone basis) respectively.

PARTICULARS OF EMPLOYEES' REMUNERATION

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in an Annexure and forms part of this report. However, in terms of Section 136(1) of the Companies Act, 2013, the Report is being sent to the Members excluding the aforesaid Annexure and shall be available for inspection of the members, till the date of the Annual General Meeting, at the registered office of the Company during working hours. Any Member interested in obtaining a copy of the Annexure may write to the Company Secretary at the Registered Office of the Company.

In terms of proviso to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the particulars of the employees posted and working in a country outside India is not circulated to the members, but the same shall be filed with the Registrar of Companies while filing the Financial Statements and Board's Report.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return as at 31 March 2015 in Form MGT-9 is annexed and forms part of the Report.

PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS

The particulars of Loans, Guarantees and Investments under Section 186 of the Companies Act, 2013 are disclosed in the financial statements of the Company.

Board's Report

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO AND DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS

A. CONSERVATION OF ENERGY:

Your Company's operations involve low energy consumption. Mphasis is committed on conserving energy. The key facilities have been awarded 5 star, 4 star or 3 star rating by Bureau of Energy Efficiency, Government of India (BEE). The rating is nationally accepted industry benchmark and Mphasis has been the twelfth Company in India to be certified by BEE. The Company has installed lighting energy savers and LED light fixtures, occupancy sensors, enthalpy system, automatic operation of AC system at data center and solar inverters at certain facilities to minimize power consumption. The carbon foot prints are monitored on a monthly basis and reported to Carbon Disclosure Project (CDP), an international, not-for-profit organization providing the only global system for companies and cities to measure, disclose, manage and share vital environmental information. CII Godrej Green Building Council has awarded 'Greenco' rating for Mphasis Mangalore facility. One of our facility, WTC 4 Bengaluru, has been certified LEED (Leadership in Energy and Environmental Design) Gold by United States Green Building Council (USGBC). During FY 2015, the Company has invested ₹ 126 Million towards energy conservation equipments. Your Company is one of the few IT companies in India who has implemented captive renewable energy generation in multi-locations as part of its sustainability program.

B. TECHNOLOGY ABSORPTION:

Particulars relating to technology absorption are not applicable.

C. FOREIGN EXCHANGE EARNINGS OR OUTGO :

	(₹ million)
(a) Foreign Exchange earned in terms of actual inflows during the year	24,581
(b) Foreign Exchange outgo in terms of actual outflows during the year	4,321

D. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS:

There were no significant material orders passed by the Regulators or the Courts, Tribunals impacting the going concern status and companies operations in future.

DEPOSITS

Your Company has not accepted any deposits from the public and as such no amount of principal or interest was outstanding as on the date of the Balance Sheet.

ACKNOWLEDGMENT

Your directors acknowledge with thanks the continued support and valuable co-operation extended by the business constituents, investors, vendors, bankers and shareholders of the Company. Your directors wish to thank Hewlett-Packard Company for their continued support. The directors place on record their appreciation for the support from the Software Technology Parks of India, the Department of Electronics, the Government of India, Government of Karnataka, NCT Delhi, Maharashtra, Tamil Nadu, Gujarat, Madhya Pradesh, Chhattisgarh, Pondicherry, Orissa, Rajasthan, Reserve Bank of India, other governmental agencies, Trade Associations and NASSCOM.

Your directors would like to place on record their appreciation for the contribution made by the employees of the Company and its subsidiaries and associates.

For and on behalf of the Board of Directors

Santa Clara, CA (USA)
22 May 2015

FRIEDRICH FROESCHL
Chairman

** Inserted pursuant to approval at the Board Meeting held on 29 July 2015.*

Annexure to the Board's Report

DETAILS OF EMPLOYEES STOCK OPTIONS/RESTRICTED STOCK UNITS AS ON 31 MARCH 2015

Stock Options/ Restricted Stock Units (RSUs) granted to employees of Mphasis Limited & its subsidiaries: (Figures adjusted for 1:1 Bonus Issues made in the years 2003, 2004 and 2005 for ESOP 1998, ESOP 2000, ESOP 2003 and ESOP 2004)

Particulars	ESOP 1998		ESOP 2000	ESOP 2003	ESOP 2004	RSU 2010	ESOP 2012	RSU 2014
	Version I	Version II						
Options/RSUs Granted	1,324,552	4,780,000	20,231,844	2,708,800	2,561,152	162,250	567,300	470,000
Options Vested (net of Lapsed options which are un-exercised)	611,180	2,383,866	10,607,323	2,398,323	1,288,942	119,000	376,950	Nil
RSUs Unvested	Nil	Nil	Nil	Nil	Nil	Nil	Nil	445,750
Options/RSUs exercised and No. of shares arising out of the exercise	564,180	2,267,634	10,607,323	2,398,323	1,286,352	113,950	2,350	Nil
Options/RSUs lapsed [Options/RSUs reverted due to resignations and non-exercise]	713,372	2,396,134	9,624,521	310,477	1,272,210	43,250	190,350	24,250
Money realized by exercise of Options/RSUs (₹) (during the FY 2014-2015)	Nil	109,653	Nil	Nil	551,827	266,750	Nil	Nil
Total No. of Options/RSUs in force as at 31 March 2015	47,000	116,232	Nil	Nil	2,590	5,050	374,600	445,750
Pricing formula	Refer Table below							

Pricing Formulae for the stock option/RSU schemes:

Schemes	Pricing Formulae
ESOP 1998 (version I)	No options have been granted under this Scheme during the financial year 2014-15. Earlier, under this plan the options were granted at a strike price of ₹ 275 per share. The price of ₹ 275 was arrived at based on SEBI Guidelines on Pricing for Preferential Allotment.
ESOP 1998 (version II)	No options have been granted under this Scheme during the financial year 2014-15. Earlier, for employees in service as on 10 January 2000, the market price prevalent on the 15th day from the Board Meeting held on 10 January 2000 i.e. ₹ 795 per share and for all the recruits thereafter, market price prevalent on the date of joining, unless the ESOP Committee decides otherwise, was taken as the grant price. For options granted from September 2003, the grant price was calculated as per sub clause 10 of clause 2.1 of the amendment to SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, dated 30 June 2003, which was the average of the two weeks high and low price of share preceding the date of grant of option on the stock exchange on which the shares of the Company are listed.
ESOP 2000	No options have been granted under this Scheme during the financial year 2014-15. Earlier, for employees in the service of the Company as on 25 July 2000, the market price prevalent on 25 July 2000 i.e. ₹ 494.20 per share was taken as the grant price and for employees joining thereafter, the market price prevalent on the last working day of the month in which they join was taken as the grant price. For options granted from September 2003, the grant was calculated as per sub clause 10 of clause 2.1 of the amendment to SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 dated 30 June 2003, which was the average of the two weeks high and low price of share preceding the date of grant of option on the stock exchange on which the shares of the Company are listed.
ESOP 2003	No options have been granted under this Scheme during the financial year 2014-15. Earlier, for options granted from September 2003, the grant price was calculated as per sub clause 10 of clause 2.1 of the amendment to SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 dated 30 June 2003 which is the average of the two weeks high and low price of shares preceding the date of grant of option on the stock exchange on which the shares of the Company are listed.
ESOP 2004	No options have been granted under this Scheme during the financial year 2014-15. <u>Program A</u> The original exercise price is as per the original grant made by Msource Corporation while granting its options, converted at the exchange rate between USD and INR as on 12 May 2004 and as adjusted for the swap ratio of the Msource acquisition and the bonus shares issued by Mphasis Limited after 12 May 2004.

Annexure to the Board's Report

Schemes	Pricing Formulae
	Program B The Market Price as per the applicable guidelines prescribed by Securities Exchange Board of India (SEBI) from time to time.*
RSU 2010	No RSUs have been granted under this Scheme during the financial year 2014-15. In terms of the scheme each of the restricted stock units granted, entitles the holder thereof with an option to apply for and be issued one equity share of the Company at an exercise price of ₹ 10 per share.
ESOP 2012	No options have been granted under this Scheme during the financial year 2014-15. In terms of the scheme, each stock options granted, entitles the holder thereof with an option to apply for and be issued one equity share of the Company at an exercise price of ₹ 410.25 per share, being the Market Price*.
RSU 2014	During the year 2014-15, 470,000 stock units have been granted under this scheme. In terms of the scheme each of the restricted stock units granted, entitles the holder thereof with an option to apply for and be issued one equity share of the Company at an exercise price of ₹ 10 per share.

* The Securities & Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, defines 'Market Price' as the "latest available closing price, prior to the date of the meeting of the Board of Directors in which options are granted, on the stock exchange on which the shares of the Company are listed, if the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered."

Employee Stock Options-Summary:

1. Options/RSUs granted	:	32,805,898
2. Options/RSUs vested	:	17,785,584
3. Options/RSUs unvested	:	445,750
4. Options/RSUs exercised	:	17,240,112
5. Options/RSUs lapsed	:	14,574,564
6. Total No. of Options/RSUs in force as at 31 March 2015	:	991,222
7. Money realized by exercise of Options for the financial year 2014-15 (₹)	:	928,230

Notes:

- During the year under review there has not been any amendment to the RSU/ESOP Plans.
- During the year, the Company has granted 55,000 units to the Key Managerial Personnel (KMP) under RSU 2014, as per the details given below:

Name of the KMP	No. of units granted
Mr. Balu Ganesh Ayyar, Chief Executive Officer	36,000
Mr. A Sivaram Nair, EVP & Company Secretary	7,000
Mr. V Suryanarayanan, EVP & Chief Financial Officer	12,000
Total	55,000

- Stock Units granted to Mr. Balu Ganesh Ayyar, CEO, as described above under RSU 2014, account for more than 5% of the options granted during the year by the ESOP Compensation Committee.
- There were no employees who were granted units equal to or exceeding 1% of the issued capital of the Company at the time of grant.
- Details of stock based compensation are given in the Note 31 to the financial accounts.
- Diluted Earnings Per Share [EPS] of the Group for the year, pursuant to issue of shares on exercise of options is ₹ 32.05 (Refer Note 31 of the consolidated financial statements).
- Mr. Balu Ganesh Ayyar, CEO, is the Senior Managerial Personnel and has been granted RSUs during the year as stated above.

Annexure to the Board's Report

ADDITIONAL DISCLOSURES

Your Company computes employee compensation cost using the intrinsic value of stock options. The impact of the difference on the profits and EPS of the Company for the financial year ended 31 March 2015 using the fair value method for the grants made after the notification is given below:

1) a) **Impact on Profit:** (₹ million)

	Mphasis Limited	Mphasis Group
Audited	5,530.30	6,746.39
Adjusted	5,530.30	6,746.39

b) **Impact on EPS:** (₹)

	Mphasis Limited		Mphasis Group	
	Basic	Diluted	Basic	Diluted
Audited	26.32	26.28	32.10	32.05
Adjusted	26.32	26.28	32.10	32.05

Note: The Company has followed fair value method for computing the employee compensation cost for restricted stock unit/ options issued under RSU Plan - 2010 and ESOP Plan - 2012 and accordingly, recognized the proportionate cost for the financial year ended 31 March 2015 in the statement of profit and loss. Hence, no adjustment is required for the audited profit and audited EPS in respect of restricted stock units.

2) **Weighted average exercise price and weighted average fair value of options:**

The exercise price of the stock options is determined as per clause 2.1(10) of SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999, as amended.

Plan	Weighted Average Exercise Price (₹)	Weighted Average Fair Value (₹)
ESOP 1998 Version I	-	-
ESOP 1998 Version II	84.35	47.69
ESOP 2004	117.36	77.60
RSU Plan 2010	10.00	649.49
ESOP 2012	-	-
RSU 2014	-	-

Note: Stock Options issued under ESOP 1998 Version I and ESOP 2012 were not exercised during the financial year ended 31 March 2015.

3) **Method and significant assumptions:**

Your Company has adopted the Black Scholes option pricing model to determine the fair value of stock options.

The significant assumptions are:

1	Risk free interest rate	5.78% to 8.20%	
2	Expected life	1 to 4 years	
3	Expected volatility (%)	40.53% to 69.48%	
4	Expected dividend yield (%)	0.66% to 1.98%	
5	Market price on date of grant (weighted average) (₹)	ESOP 1998 Version I	-
		ESOP 1998 Version II	420.72
		ESOP 2004	302.20
		RSU Plan 2010	653.86
		ESOP 2012	-
		RSU 2014	-

Note: Stock Options issued under ESOP 1998 Version I and ESOP 2012 were not exercised during the financial year ended 31 March 2015.

For and on behalf of the Board of Directors

Annexure to the Board's Report

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with Section 134(5) of the Companies Act, 2013, your directors confirm and state as follows for the financial year ended 31 March 2015:

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
3. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the directors had prepared the annual accounts on a going concern basis;
5. That directors had devised proper systems to ensure compliance with the provisions of applicable laws and such systems are adequate and operating effectively; and
6. That as regards internal financial controls, the directors to the best of their knowledge and belief and according to the information and explanations provided, make the following statements:
 - a) that we are responsible for establishing and maintaining internal financial controls to be followed by your Company that are adequate and that are operating effectively.

Your Company's internal financial controls are deployed through an internally evolved framework that address material risks in your Company's operations and financial reporting objectives, through a combination of entity level controls (including Enterprise Risk Management, Legal Compliance Framework and Anti-fraud Mechanisms such as Ethics Framework, Code of Conduct, Whistleblower Policy etc.), process controls (both manual and automated), information technology based controls, period end financial reporting and closing controls and through internal audit.

Internal financial controls cannot provide absolute assurance of achieving financial, operational and compliance reporting objectives because of its inherent limitations. Also, projections of any evaluation of the internal financial controls to future periods are subject to the risk that the internal financial controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

- b) we are also undertaking the implementation of a structured framework on Internal Controls which will be based on internationally prescribed frameworks such as COSO 2013 to further strengthen the internal control environment in your Company. This will provide a benchmark approach for evaluating the adequacy of controls and monitoring the operating effectiveness of those controls on an ongoing basis. During the implementation of the structured framework on internal controls, there is a possibility of identifying weaknesses or improvements in the design and / or operation of the existing controls and the underlying processes. Those will be dealt with as and when they are identified.

For and on behalf of the Board of Directors

Santa Clara, CA (USA)
22 May 2015

FRIEDRICH FROESCHL
Chairman

DECLARATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT

As required under Clause 49 of the Listing Agreement with Stock Exchanges, it is hereby confirmed that for the year ended 31 March 2015, the directors of Mphasis Limited have affirmed compliance with the Code of Conduct for Board Members as applicable to them and members of the senior management have also affirmed compliance with the Employee Code of Conduct as applicable to them.

Santa Clara, CA (USA)
22 May 2015

BALU GANESH AYYAR
Chief Executive Officer

Annexure to the Board's Report

FORM AOC-1

Statement containing salient features of the financial statement of subsidiaries /associate companies /joint ventures (Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014

Sl. No.	Name of Subsidiary	Reporting Currency	Exchange Rate	Share Capital			Reserves & Surplus	Total assets	Total liabilities	Investment (Other than in subsidiaries)	Turnover	Profit before taxation		% of shareholding	
				Equity	Preference	Total						Profit / (Loss)	Provision for taxation		Profit after taxation
1	Mphasis Corporation	USD	62.500	0.00	-	0.00	4,336.82	13,679.19	9,342.37	-	19,587.04	651.68	223.48	428.19	100
2	Mphasis Deutschland GmbH	EUR	67.190	2.10	-	2.10	49.75	55.19	3.34	-	47.06	4.64	3.12	1.52	91
3	Mphasis Australia Pty Limited	AUD	47.535	0.05	-	0.05	199.73	506.86	307.08	-	1,356.25	232.19	90.66	141.53	100
4	Mphasis (Shanghai) Software & Services Company Ltd	CNY	10.175	238.76	-	238.76	(147.45)	317.93	226.62	-	330.58	44.45	14.70	29.75	100
5	Mphasis Consu ting Limited	GBP	92.470	1.34	-	1.34	586.10	610.37	22.93	-	199.08	14.78	4.78	10.00	100
6	Mphasis Belgium BVBA	EUR	67.190	0.43	-	0.43	113.86	192.23	77.94	-	580.13	72.96	22.60	50.36	100
7	Mphasis Europe BV	EUR	67.190	477.01	-	477.01	11,154.71	11,697.68	65.96	-	323.55	4.24	4.74	(0.50)	100
8	Mphasis Pte Ltd	SGD	45.475	152.86	-	152.86	(4.84)	370.51	162.49	-	589.11	110.51	18.72	91.79	100
9	Mphasis UK Limited	GBP	92.470	0.24	-	0.24	10,235.47	10,777.62	541.91	-	1,554.31	81.13	18.13	63.00	100
10	Mphasis Software & Services (India) Private Limited	INR	1.000	100.00	-	100.00	1,183.65	1,319.20	35.55	1,129.27	210.47	168.79	31.05	138.74	100
11	Msource Mauritius Inc.	USD	62.500	581.68	-	581.68	36.74	626.88	8.46	-	(0.88)	-	-	(0.88)	100
12	Msource (India) Private Limited	INR	1.000	66.85	-	66.85	6,473.92	7,054.95	514.18	4,509.01	3,514.21	1,290.49	357.27	933.21	100
13	Mphasis Ireland Limited	EUR	67.190	0.56	-	0.56	23.32	25.85	1.97	-	40.63	3.59	0.41	3.18	100
14	Mphasis Lanka (Private) Limited	LKR	0.480	55.49	-	55.49	(55.49)	0.01	0.01	-	-	(0.75)	1.15	(1.90)	100
15	Mphasis Infrastructure Services Inc.	USD	62.500	0.05	-	0.05	(905.49)	212.67	1,118.11	-	529.11	(124.88)	0.48	(125.36)	100
16	Mphasis Poland s.p.z.o.o.	PLN	19.536	1.99	-	1.99	(14.86)	48.00	60.87	-	73.54	(9.53)	(1.44)	(8.09)	100
17	P.T. Mphasis Indonesia	IDR	0.005	4.60	-	4.60	(0.97)	5.46	1.83	-	1.74	(4.05)	(0.02)	(4.03)	100
18	Mphasis Wjde Inc.	USD	62.500	0.00	-	0.00	8,285.60	15,744.05	7,458.45	-	(219.73)	33.59	(253.33)	100	
19	Wjde Corporation	USD	62.500	3.11	-	3.11	(665.14)	899.20	1,421.23	-	575.57	(151.04)	-	(151.04)	100
20	Wjde Inc., S.A	EUR	67.190	2.53	-	2.53	(90.92)	558.53	646.92	-	635.07	(162.76)	-	(162.76)	100
21	Wjde Solutions Canada Inc.	CAD	49.033	0.05	-	0.05	(101.40)	11.34	112.69	-	50.47	(71.44)	-	(71.44)	100
22	Wjde Tunisie SARL	TND	35.959	5.04	-	5.04	(0.26)	9.99	5.21	-	0.00	-	-	0.00	100
23	Mphasis Philippines Inc	PHP	1.429	11.34	-	11.34	10.39	32.35	10.62	-	81.95	4.93	(0.31)	5.24	100
24	Digital Risk LLC	USD	62.500	942.62	-	942.62	6,798.30	8,463.13	722.21	-	3,787.69	325.67	-	325.67	100
25	Digital Risk Mortgage Services, LLC	USD	62.500	1,350.02	-	1,350.02	430.63	2,331.65	1,412.26	-	3,260.60	260.81	-	260.81	100
26	Digital Risk Compliance Services, LLC	USD	62.500	-	-	-	(2,017.58)	-	2,017.58	-	-	-	-	-	100
27	Digital Risk Analytics, LLC	USD	62.500	-	-	-	(234.44)	9.19	243.63	-	-	(80.02)	-	(80.02)	100
28	Investor Services, LLC	USD	62.500	-	-	-	(1,030.99)	406.03	1,437.02	-	427.06	(130.30)	-	(130.30)	100
29	Digital Risk Valuation Services, LLC	USD	62.500	-	-	-	(692.68)	117.77	1,070.45	-	195.27	(290.20)	-	(290.20)	100
Total				3,988.69	-	3,988.69	42,935.32	75,983.79	29,049.79	5,638.28	37,990.49	2,026.28	823.13	1,203.15	

Notes :

- The Board of Directors in its meeting held on 27 September 2013 had approved the scheme of amalgamation ('the scheme') of Mphasis Finsource Limited, a wholly owned subsidiary of the Company, carrying on the business of business process outsourcing, into the Company with effect from 1 April 2013. The Honourable High Court of Karnataka had passed Orders approving the scheme on 18 August 2014. The Scheme became effective, upon filing of the orders of the Honourable High Court of Karnataka with the Registrar of Companies on 04 September 2014. This merger has no impact on the consolidated financial results.
- There are no subsidiaries which are yet to commence Operations.
- On 22 July 2013, the Board of Directors of Mphasis Lanka (Private) Limited, a wholly owned subsidiary of Mphasis Limited, resolved to close down its operations.
- Company does not have any Associates & Joint Ventures.
- Exchange Rate applied is as at 31 March 2015.
- There are no dividend proposed from any subsidiaries.
- The reporting period of the subsidiaries is 31 March of every year except Mphasis (Shanghai) Software & Services Company Ltd, which is 31 December of every year.

For and on behalf of the Board of Directors

Balu Ganesh Ayyar
Chief Executive Officer

Narayanan Kumar
Director

Suryanarayanan V
Executive Vice President &
Chief Financial Officer

A. Sivaram Nair
Executive Vice President, Company Secretary,
General Counsel & Ethics Officer

Santa Clara, CA (USA)
22 May 2015

Annexure to the Board's Report

FORM - AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto (Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis –

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts/arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) date(s) of approval by the Board
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188



Nil

2. Details of material contracts or arrangement or transactions at arm's length basis

- (a) Name(s) of the related party and nature of relationship:
 1. *Hewlett-Packard Company (HP), Palo Alto (USA), and its subsidiaries and group companies.*
 2. *Subsidiaries of Mphasis Limited.*
- (b) Nature of contracts/arrangements/transactions:
 - (a) *Availing and Rendering of IT & ITES Services;*
 - (b) *Purchase and Sale of Fixed Assets;*
 - (c) *Payment and Receipt of Sub-lease rent to/from subsidiaries; and*
 - (d) *Placing and Receipt of Inter Corporate Deposits with/from the subsidiaries.*
- (c) Duration of the contracts/arrangements/transactions:

The services are availed and provided based on the agreements entered into from time to time.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:

The value of the transactions with HP and its subsidiaries and the subsidiaries of the Company are disclosed under the Related Party schedule to the financial statements for the year ended 31 March 2015. Please refer to Note 28 of the consolidated financial statements and Note 25 of the standalone financial statements of the Company.
- (e) Date(s) of approval by the Board, if any:

Nil as the contracts are in Ordinary Course of Business and at Arm's length basis.
- (f) Amount paid as advances, if any:

Please refer to related party schedule in the financial statements.

Note: The term material related party transaction is as defined under the Listing Agreement.

For and on behalf of the Board of Directors

Santa Clara, CA (USA)
22 May 2015

FRIEDRICH FROESCHL
Chairman

Annexure to the Board's Report

ANNUAL REPORT ON CSR ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2015

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.

The brief of the CSR Policy is furnished in the CSR Section of the Board's Report. The CSR Policy is also uploaded on the website of the Company (www.mphasis.com) at <http://www.mphasis.com/CorporateGovernance.html>. in the Investors Section.

2. The Composition of the CSR Committee.

The following are the members of the CSR Committee:

- a. Mr. Narayanan Kumar* - Chairman
- b. Mr. Davinder Singh Brar*
- c. Ms. Mary Teresa Hassett
- d. Mr. Balu Ganesh Ayyar

* Independent Directors

3. Average net profit of the company for last three financial years.

₹ 6,964 million

4. Prescribed CSR Expenditure (2% of the amount mentioned above).

₹ 139.30 million

5. Details of CSR spent during the financial year.

a. Total amount spent for the financial year - ₹ 21.88 million

b. Amount unspent, if any - ₹ 117.42 million

c. Reason for not spending the mandated amount:

Considering the new statutory framework under the Companies Act, 2013, sizeable time and efforts were spent in formulating an impactful and coherent CSR Policy, devising the strategy, formulating internal framework for grant making process, capacity building of the CSR team, monitoring and evaluation process and identifying credible partners with innovative project proposal and evaluating proposals for scalability and policy fitment. The Board believes that initial set up undertaken during the year in terms of the CSR Policy, CSR frameworks, CSR Process and Controls will enable the Company to scale up the CSR activities in future and support the Company's commitment to its meaningful CSR activities.

d. Manner in which the CSR amount was spent during the year:

Details enclosed.

It is confirmed that the implementation and monitoring of CSR Policy is in compliance with the CSR Objectives and CSR Policy of the Company.

For and on behalf of the Board

Balu Ganesh Ayyar
Chief Executive Officer

Narayanan Kumar
Chairman of CSR Committee

Santa Clara, CA (USA)
22 May 2015

Annexure to the Board's Report

Annexure to CSR Annual Report : Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR Project	Sector in which the Project is covered	Areas where the Projects are undertaken		CSR Amount outlay (₹ Million)	CSR Amount spent (₹ Million)		Details of implementing agency, if any
			Local	District / State		Expenditure on projects or programs	Overheads	
1	NASSCOM Social Innovation Forum	Education, Disability & Financial Inclusion	✓	Bengaluru/ Karnataka	8.00	8.00	Nil	NASSCOM Foundation
2	PM Relief Fund	Contribution to PM Relief Fund	X	National	2.50	2.50	Nil	NA
3	Aalamba	Financial inclusion	✓	Bengaluru/ Karnataka	2.16	2.16	Nil	Headstreams
4	Nanagu Shaale	Disability	✓	Bengaluru/ Karnataka	3.72	3.72	Nil	Fourth Wave Foundation
5	Akshardeep	Education	✓	Pune/ Maharashtra	0.79	0.79	Nil	Swadhar Foundation
6	Each One Teach One	Education	✓	Mumbai/ Maharashtra	1.28	1.28	Nil	Each One Teach One Charitable Foundation
7	Jagruti Seva Sanstha	Education and Nutrition	✓	Pune/ Maharashtra	0.25	0.25	Nil	Jagruti Seva Sanstha
8	SOS Children Villages	Education and Nutrition	✓	Bengaluru/ Karnataka	0.54	0.54	Nil	SOS Children Village
9	Chetan Study Center	Education	✓	Mysore/ Karnataka	0.10	0.10	Nil	Local Community Exchange Empowerment Trust
10	NCPEDP Mphasis Universal Design Awards	Disability	✓	Bengaluru/ Karnataka	1.50	1.50	Nil	National Centre for Promotion of Employment for Disabled People
11	CSR Office costs	NA	X	NA	5.05	Nil	5.05	NA
12	Capacity building costs	NA	X	NA	7.30	Nil	7.30	NA
	TOTAL				33.19	20.84	12.35	

Notes:

- As the reporting is effective 1 April 2015, the cumulative expenditure for each project will be the same as the CSR spend.
- The allowable CSR Overheads as per the Companies Act, 2013 is ₹ 1.04 million. CSR Expenses for the year ended 31 March 2015 net of the dis-allowed CSR overheads is ₹ 21.88 million.

For and on behalf of the Board

Balu Ganesh Ayyar
Chief Executive Officer

Narayanan Kumar
Chairman of CSR Committee

Santa Clara, CA (USA)
22 May 2015

Annexure to the Board's Report

FORM No. MGT-9 EXTRACT OF ANNUAL RETURN as at 31 March 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

1. Registration and Other Details

a	CIN	L30007KA1992PLC025294
b	Registration Date	10 August 1992
c	Name of the Company	Mphasis Limited
d	Category / Sub-Category of the Company	Public Company Company having Share Capital
e	Address of the Registered office and contact details	Bagmane World Technology Centre, Marathalli Outer Ring Road, Doddannakhundi Village, Mahadevpura, Bengaluru, Karnataka, India. Telephone:+91 (080) 3352 5000 Fax: +91 (080) 6695 9943
f	Whether listed Company (yes / no)	Yes
g	Name, Address and Contact details of Registrar and Transfer Agent, if any	Integrated Enterprises (India) Limited (Unit: Mphasis Limited) 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru - 560 003 Phone: +91 (080) 2346 0815-818 Fax: +91 (080) 2346 0819 Contact Person : Mr. S Vijayagopal, Asst. Vice President

2. Principal Business Activities of the Company

All the Business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products /services	NIC Code of the Product/ service	% to total turnover of the company
1	Computer Programming and related activities	620	100%

3. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held**	Applicable Section
1	Hewlett-Packard Company, USA*	3000 Hanover Street Palo Alto, CA, 94304-1185, USA	NA	Holding Company	Refer Notes	2(46)
2	EDS Asia Pacific Holdings	Citibank NA, Custody Services, 3rd Floor, Trent House, G Block, Plot No.60, Bandra Kurla Complex, Bandra, Mumbai -400051	NA	Holding Company	39.5	2(46)
3	EDS World Corporation (Far East) LLC	Citibank NA, Custody Services, FIFC-11th Floor, G Block, Plot C-54 and C-55, Bandra Kurla Complex, Bandra-East, Mumbai- 400051	NA	Holding Company	20.99	2(46)
4	EDS World Corporation (Netherlands) LLC	JP Morgan Chase Bank N.A., India Sub Custody, 6th Floor, Paradigm B, Mindspace, Malad W, Mumbai - 400064	NA	Holding Company	-	2(46)
5	Mphasis Software & Services (India) Pvt. Ltd.	Bagmane World Technology Center, Marathalli Ring Road, Doddannakhundi Village, Mahadevpura, Bengaluru – 560 048	U72200KA1998 PTC038932	Subsidiary	100	2(87)(ii)
6	Msource (India) Private Limited	Bagmane World Technology Center, Marathalli Ring Road, Doddannakhundi Village, Mahadevpura, Bengaluru – 560 048.	U72200KA2000 PTC038931	Subsidiary	100	2(87)(ii)
7	Mphasis Corporation	1220N Market Street, Suit 806 Wilmington , DE 19801.	NA	Subsidiary	100	2(87)(ii)

Annexure to the Board's Report

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held**	Applicable Section
8	Mphasis Deutschland GmbH	Koblenzer, Street 34, Postfach 1221, D-56130, Bad Ems, Germany.	NA	Subsidiary	91	2(87)(ii)
9	Mphasis Australia Pty. Ltd	Shop 5, 17-19, East Parade Sutherland NSW 2232.	NA	Subsidiary	100	2(87)(ii)
10	Mphasis (Shanghai) Software & Services Co. Ltd.	Room No.912, No 1011, Lujiabang Road, Huangpu District, Shanghai.	NA	Subsidiary	100	2(87)(ii)
11	Mphasis Consulting Limited	88 Woodstreet London EC2V 7 RS United Kingdom.	NA	Subsidiary	100	2(87)(ii)
12	Mphasis Europe B.V.	Strawinskylaan 3051, 1077 ZX Amsterdam, The Netherlands.	NA	Subsidiary	100	2(87)(ii)
13	Mphasis UK Limited	88 Woodstreet London EC2V 7 RS, United Kingdom.	NA	Subsidiary	100	2(87)(ii)
14	Mphasis Pte Limited	6 Battery Road, Level 42 'The Executive Center', Singapore 49909.	NA	Subsidiary	100	2(87)(ii)
15	Msource Mauritius Inc.	C/o Multiconsult Limited, Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius.	NA	Subsidiary	100	2(87)(ii)
16	Mphasis Ireland Limited	C/O Andrew Partners, No.7, The Anchorage, Charlotte Quay, Dublin-4.	NA	Subsidiary	100	2(87)(ii)
17	Mphasis Belgium BVBA	Leonardo Da Vincilaan 9, B-1935 Zaventem, Belgium.	NA	Subsidiary	100	2(87)(ii)
18	Mphasis Lanka (Private) Limited	C/o Julius & Creasy, No.9/5, Thambiah Avenue Colombo 07.	NA	Subsidiary	100	2(87)(ii)
19	Mphasis Poland Sp. z o.o.	50-102 Wroclaw, Rynek 39/40	NA	Subsidiary	100	2(87)(ii)
20	Mphasis Infrastructure Services Inc.	2711 Centerville Road, Suite 400 Wilmington, County of New Castle, Delaware 19808.	NA	Subsidiary	100	2(87)(ii)
21	PT. Mphasis Indonesia	Setiabudi Atrium, 4th Floor, Suite 405 Ji. H. R. Rasuna Said Kav. 62, Jakarta 12920, Indonesia.	NA	Subsidiary	100	2(87)(ii)
22	Mphasis Wyde Inc.	2711 Centerville Road, Suite 400 Wilmington, County of New Castle, Delaware 19808.	NA	Subsidiary	100	2(87)(ii)
23	Wyde Corporation	160 Greentree Drive, Suite 101, Dover, DE 19904.	NA	Subsidiary	100	2(87)(ii)
24	Wyde Solutions Canada Inc.	520 boulevard Charest, E - Suite 300 G1K 3J3 Quebec QC Canada.	NA	Subsidiary	100	2(87)(ii)
25	Mphasis Wyde SASU	6 rue Beaubourg 75004 Paris, France.	NA	Subsidiary	100	2(87)(ii)
26	Wyde Tunisie SARL	Rue du Lac Constance, Immeuble Carthage Centre, Bloc A, 2 eme etage-1053 Les Barges du Lac.	NA	Subsidiary	100	2(87)(ii)
27	Mphasis Philippines Inc.	8th Floor, Sunlite Center, 5th avenue Cor,Rizal Drive, Bonitacio, Global City,Taguig City, Philippines	NA	Subsidiary	100	2(87)(ii)
28	Digital Risk, LLC	National Crop Research LTD 615 South Dupont Highway Dover, DE 19901.	NA	Subsidiary	100	2(87)(ii)
29	Digital Risk Europe, OOD	National Crop Research LTD 615 South Dupont Highway Dover, DE 19901.	NA	Subsidiary	100	2(87)(ii)
30	Digital Risk Mortgage Services, LLC	National Crop Research LTD 615 South Dupont Highway Dover, DE 19901.	NA	Subsidiary	100	2(87)(ii)
31	Digital Risk Valuation Services, LLC	National Crop Research LTD 615 South Dupont Highway Dover, DE 19901.	NA	Subsidiary	100	2(87)(ii)
32	Digital Risk Compliance Services, LLC	National Crop Research LTD 615 South Dupont Highway Dover, DE 19901.	NA	Subsidiary	100	2(87)(ii)
33	Digital Risk Analytics, LLC	National Crop Research LTD 615 South Dupont Highway Dover, DE 19901.	NA	Subsidiary	100	2(87)(ii)
34	Investor Services, LLC	National Crop Research LTD 615 South Dupont Highway Dover, DE 19901.	NA	Subsidiary	100	2(87)(ii)

NA - Not Applicable.

* HP is the ultimate Holding Company of the Company, by virtue of being Holding Company of the EDS Asia Pacific Holdings, EDS World Corporation (Far East) LLC, EDS World Corporation (Netherlands) LLC.

** Represents % of shares held in the Share Capital of the Company.

Annexure to the Board's Report

4. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category - wise Share Holding

Sl. No.	Category of Shareholders	No. of shares held at the beginning of the year			No. of shares held as at the end of the year			% change
		Demat	Physical	Total	Demat	Physical	Total	
(A)	Promoters							
(1)	Indian							
	a) Individuals/Hindu Undivided Family	-	-	-	-	-	-	-
	b) Central Government	-	-	-	-	-	-	-
	c) State Government(s)	-	-	-	-	-	-	-
	d) Bodies Corporate	-	-	-	-	-	-	-
	e) Banks/ Financial Institutions	-	-	-	-	-	-	-
	f) Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (A)(1):-	-	-	-	-	-	-	-
(2)	Foreign							
	a) NRIs-Individuals	-	-	-	-	-	-	-
	b) Other- Individuals	-	-	-	-	-	-	-
	c) Bodies Corporate	127,106,266	-	127,106,266	127,106,266	-	127,106,266	60.49
	d) Banks/ Financial Institutions	-	-	-	-	-	-	-
	e) Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (A)(2):-	127,106,266	-	127,106,266	127,106,266	-	127,106,266	60.49
	Total Shareholding of Promoter	127,106,266	-	127,106,266	127,106,266	-	127,106,266	60.49
	(A) = (A)(1)+(A)(2)							
(B)	Public shareholding							
(1)	Institutions							
	a) Mutual Funds	2,633,203	1,600	2,634,803	3,190,298	1,600	3,191,898	1.52
	b) Banks/Financial Institutions	6,921,354	-	6,921,354	7,236,751	-	7,236,751	3.44
	c) Central Government	-	-	-	-	-	-	-
	d) State Government(s)	-	-	-	-	-	-	-
	e) Venture Capital Funds	-	-	-	-	-	-	-
	f) Insurance Companies	-	-	-	-	-	-	-
	g) Flis	54,764,465	3,200	54,767,665	51,149,267	3,200	51,152,467	24.34
	h) Foreign Venture Capital Funds	-	-	-	-	-	-	-
	i) Others (specify)	-	-	-	-	-	-	-
	Sub-Total (B)(1) :-	64,319,022	4,800	64,323,822	61,576,316	4,800	61,581,116	29.30
(2)	Non-Institutions							
	a) Bodies Corporate	10,704,200	5,000	10,709,200	9,769,915	1,000	9,770,915	4.65
	(i) Indian							
	(ii) Overseas							

Annexure to the Board's Report

Sl. No.	Category of Shareholders	No. of shares held at the beginning of the year			No. of shares held as at the end of the year			% change
		Demat	Physical	Total	Demat	Physical	Total	
b)	Individuals							
i.	Individual shareholders holding nominal share capital up to ₹ 1 lakh.	4,540,205	150,980	4,691,185	4,875,906	143,680	5,019,586	2.39
ii.	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	2,708,183	-	2,708,183	2,759,166	-	2,759,166	1.31
c)	Any other (specify)							
-	QFIs	150	-	150	-	-	-	-
-	Directors	17,010	-	17,010	17,010	-	17,010	0.01
-	Mphasis Limited Unclaimed Suspense Account	18,150	-	18,150	18,150	-	18,150	0.01
-	Trusts	313,651	-	313,651	282,300	-	282,300	0.13
-	Clearing Member	247,204	-	247,204	181,269	-	181,269	0.09
-	Foreign Portfolio Investors	-	-	-	3,405,045	-	3,405,045	1.62
	Sub-Total (B)(2):-	18,548,753	155,980	18,704,733	21,308,761	144,680	21,453,441	10.21
	Total Public Shareholding (B) = (B)(1)+(B)(2)	82,867,775	160,780	83,028,555	82,885,077	149,480	83,034,557	39.51
(C)	Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	209,974,041	160,780	210,134,821	209,991,343	149,480	210,140,823	100.00

ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change
	No. of Shares	%	% of Shares Pledged	No. of Shares	%	% of Shares Pledged	
1. EDS ASIA PACIFIC HOLDINGS	83,002,201	39.50	-	83,002,201	39.50	-	-
2. EDS WORLD CORPORATION (FAR EAST) LLC	44,104,064	20.99	-	44,104,064	20.99	-	-
3. EDS WORLD CORPORATION (NETHERLANDS) LLC	1	0.00	-	1	0.00	-	-
Total	127,106,266	60.49	-	127,106,266	60.49	-	-

Notes:

- % refers to the percentage to total shares of the Company.
- % change refers to the percentage change in the shareholding during the year ended 31 March 2015 over 31 March 2014.
- % of Shares pledged refers to percentage of shares pledged/encumbered to total shares.
- % within brackets denotes reduction and without brackets denotes increase.
- Shareholding at the beginning of the year signifies shareholding as at 1 April 2014 and shareholding at the end of the year signifies shareholding as on 31 March 2015.

iii) Change in the Promoter's Shareholding (Please specify, if there is no change)

There was no change in the promoter's shareholding during the year 2014-2015.

Annexure to the Board's Report

iv. Shareholding Pattern of top ten Shareholders (other than Directors and Promoters)

Sl. No.	Name of the Shareholders	Aberdeen Global Indian Equity Mauritius Limited	Aberdeen Global Asian Smaller Companies Fund	Baring India Private Equity Fund III Listed Invest	Aberdeen Global Emerging Markets Smaller Companies	Bajaz Allianz Life Insurance Company Limited	LIC of India Market Plus one Growth Fund	ICICI Prudential Life Insurance Company Ltd	The India Fund, Inc	Baring India Investments Limited PCC	East spring Investment India Equity Open
1.	Number of shares (at the beginning)	18,500,000	5,743,951	6,436,330	3,800,000	3,713,555	3,437,518	2,396,933	2,600,000	3,162,855	1,381,459
	% of total shares	8.80	2.73	3.06	1.81	1.77	1.64	1.14	1.24	1.51	0.66
	04.04.2014	-	(243,651)	(15,070)	-	-	-	85,896	-	(3,770)	-
	11.04.2014	-	-	(26,640)	-	-	-	-	-	(17,085)	-
	18.04.2014	-	-	(54,500)	(200,000)	-	-	-	-	(27,250)	-
	25.04.2014	-	-	(7,490)	-	-	-	-	-	(3,630)	-
	02.05.2014	-	-	(3,990)	-	-	-	3,097	-	(2,110)	-
	09.05.2014	(10,805)	-	-	-	-	-	-	-	-	-
	16.05.2014	(1,133)	-	-	-	-	-	-	-	-	-
	30.05.2014	-	-	(36,100)	-	7,500	-	-	-	(18,050)	-
	06.06.2014	-	-	(264,010)	-	(42,500)	-	-	-	(132,005)	-
	13.06.2014	-	-	(364,000)	-	-	-	-	-	(188,310)	-
	20.06.2014	-	-	(231,510)	-	-	-	-	-	(164,755)	-
	30.06.2014	-	75,500	(29,502)	-	-	-	-	-	(14,751)	-
	04.07.2014	-	-	(288,220)	-	-	-	-	-	(88,800)	157,853
	11.07.2014	-	-	(80,000)	-	-	-	-	-	(40,000)	-
	18.07.2014	-	-	-	-	100,000	-	-	-	-	-
	25.07.2014	-	-	(208,760)	-	-	-	-	-	(104,380)	126,852
	01.08.2014	-	-	(32,240)	-	(25,000)	-	(8,500)	-	(16,120)	-
	08.08.2014	-	-	(46,900)	-	-	-	(12,000)	-	(23,450)	14,224
	22.08.2014	-	-	(253,500)	-	-	-	(110,000)	-	(126,750)	-
	29.08.2014	-	-	(157,022)	-	-	-	(88,500)	-	(78,511)	98,635
	05.09.2014	-	-	(77,500)	-	-	-	(42,163)	-	(38,750)	-
	12.09.2014	-	-	-	-	-	-	(34,000)	-	-	-
	19.09.2014	-	-	(93,419)	-	-	-	-	-	(46,707)	-
	30.09.2014	-	-	(44,710)	-	-	-	(16,000)	-	(22,355)	-
	10.10.2014	-	-	-	-	(80,000)	-	-	-	-	5,758
	17.10.2014	-	-	-	-	(4,897)	-	-	-	-	10,506
	24.10.2014	-	-	-	-	-	-	-	-	-	122,485
	21.11.2014	-	-	-	-	(150,000)	-	-	-	-	-
	28.11.2014	-	-	-	-	(70,000)	-	-	-	-	-
	19.12.2014	-	-	-	-	40,100	-	-	-	-	-
	06.02.2015	-	-	-	-	-	-	-	-	-	-
	27.02.2015	-	-	-	-	-	-	105,675	-	-	73,581
	13.03.2015	(26,274)	(8,519)	(4,068)	-	-	-	-	-	(2,034)	-
	20.03.2015	-	(211,533)	-	-	-	-	53,300	-	-	-
	27.03.2015	(582,563)	(43,538)	-	-	-	-	500,000	-	-	-
	31.03.2015	(113,924)	(8,833)	-	-	-	-	-	-	-	-
3.	Number of shares at the end of the year (31.03.15)	17,765,301	5,303,377	4,117,179	3,600,000	3,488,758	3,437,518	2,833,738	2,600,000	2,003,282	1,991,354
4.	% of total shares	8.45	2.52	1.96	1.71	1.66	1.64	1.35	1.24	0.95	0.95
	% change during the year	(0.35)	(0.21)	(1.10)	(0.10)	(0.11)	-	0.21	-	(0.56)	0.29

2. Date wise Increase or decrease in shareholding

Notes :

- The figures within the brackets denotes decrease in the shareholding and figures without brackets denotes increase in the shareholding on account of market transactions.
- Number and % of shares at the beginning of the year depicts the details as at 1 April 2014.
- % change during the year refers to the change during the year ended 31 March 2014 over 31 March 2015.
- Top 10 shareholders as at 31 March 2015 has been considered for the above disclosure.

Annexure to the Board's Report

v) Shareholding of Directors and Key Managerial Personnel as at 31 March 2015

Sl. No.	Names of the Directors and KMP	Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during the year (Number of Shares)	Shareholding at the end of the year	
		No. of Shares	% of total shares of the company		No. of Shares	% of total shares of the company
1	Balu Ganesh Ayyar (CEO)	17,010	0.01	-	17,010	0.01
2	A Sivaram Nair (CS)	4,210	-	-	4,210	-
3	V. Suryanarayanan (CFO)	10	-	-	10	-

Notes :

- Shareholding at the beginning of the year signifies shareholding as at 1 April 2014 and shareholding at the end of the year signifies shareholding as on 31 March 2015.

5. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ millions)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	5,392.35	-	-	5,392.35
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	0.45	-	-	0.45
Total (i+ii+iii)	5,392.80	-	-	5,392.80
Change in the indebtedness during the financial year				
Addition	0.19	1,250.00	-	1,250.19
Reduction	892.35	-	-	892.35
Net Change	(892.16)	1,250.00	-	357.84
Indebtedness at the end of the financial year				
i. Principal Amount	4,500.00	1,250.00	-	5,750.00
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	0.64	-	-	0.64
Total (i+ii+iii)	4,500.64	1,250.00	-	5,750.64

6. Remuneration of Directors and Key Managerial Personnel

- A. Remuneration to Managing Director, Whole Time Directors (WTD), Manager and Key Managerial Personnel other than MD /Manager/ WTD as at 31 March 2015

(₹ millions)

Sl. No.	Particulars of Remuneration	Mr. Balu Ganesh Ayyar (CEO)	Mr. Suryanarayanan V (CFO)	A Sivaram Nair (CS)	Total Amount
1	Gross salary	76.64	8.92	12.88	98.44
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	7.40	0.02	0.39	7.81
(c)	Profits in lieu of salary under section 17(3) Income - tax Act, 1961	-	-	-	-
2	Stock Options	3.59	1.20	0.70	5.49
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of Profit	-	-	-	-
	- Others, specify	-	-	-	-
5	Others, please specify - PF and other funds	1.12	0.23	0.29	1.64
	Total (A)	88.75	10.37	14.26	113.38
	Ceiling as per the Companies Act, 2013	378.88	Not Applicable	Not Applicable	-

Annexure to the Board's Report

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of the Independent Directors (1)			TOTAL Amount	Name of other Non-Executive Directors (2)					TOTAL Amount	Total (1 + 2)
		Dr. Friedrich Froeschl	Mr. Davinder Singh Brar	Mr. Narayanan Kumar		Mr. James Mark Merritt	Mr. Lakshmi Kanth Ananth	Mr. Shankar Maitra	Mr. Stefan Antonio Lutz	Ms. Mary Teresa Hassett		
1	Fee for attending Board Committee Meetings	-	-	-	-	-	-	-	-	-	-	-
2	Commission	6.19	3.42	3.89	13.50	-	-	-	-	-	-	13.50
3	Others, please specify	-	-	-	-	-	-	-	-	-	-	-
	Total (B)	6.19	3.42	3.89	13.50	-	-	-	-	-	-	13.50
	Total Managerial Remuneration											102.25*
	Overall Ceiling as per the Companies Act, 2013											833.54

Note: *Total managerial remuneration includes the remunerations paid to the executive director and non-executive directors.

vii) Penalties/Punishment/Compounding of Offence - Nil

Type	Section of the Companies Act, 2013	Brief Description		Details of Penalty/Punishment/compounding fee imposed	Authority (IRD/NCLT/COURT)	Appeal made, if any (give details)
A. Company						
Penalty	NIL	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL	NIL
B. Directors						
Penalty	NIL	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL	NIL
C. Other officers in Default						
Penalty	NIL	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board of Directors

Santa Clara, CA (USA)
22 May 2015

FRIEDRICH FROESCHL
Chairman

Annexure to the Board's Report

Form No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel Rules, 2014]

To,
The Members,
MPHASIS LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MPHASIS LIMITED** ("the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2015 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder with regard to maintenance of minimum public shareholding and compliance under clause 35 of the Listing Agreement.
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder with regard to dematerialisation / rematerialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company in compliance with clause 55A of the SEBI (Depositories and Participants) Regulations, 1996 and clause 47 (c) of the Listing Agreement;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable to Overseas Direct Investment;
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
 - c. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
(Not applicable to the Company during the Audit Period)
 - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
(Not applicable to the Company during the Audit Period) and
 - g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
(Not applicable to the Company during the Audit Period)

Annexure to the Board's Report

- vi. The other laws, as informed and certified by the management of the Company which are to the extent applicable to the Company based on its sector/ industry, are:
- a. Registration Act, 1908
 - b. Indian Stamp Act, 1899
 - c. Limitation Act, 1963
 - d. Indian Contract Act, 1872
 - e. Negotiable Instrument Act, 1881
 - f. Sale of Goods Act, 1930
 - g. Information Technology Act, 2000
 - h. Special Economic Zones Act, 2005
 - i. Micro, Small and Medium Enterprises Development Act, 2006
 - j. Trade Marks Act, 1999
 - k. Patents Act, 1970
 - l. Copyright Act, 1957
 - m. Designs Act, 2000
 - n. Income Tax Act, 1961
 - o. Central Excise Act, 1944
 - p. Customs Act, 1962
 - q. Chapter V of the Finance Act, 1994 (Service Tax)
 - r. Central Sales Tax Act, 1956
 - s. VAT Act (State Acts)
 - t. Environment Protection Act, 1986
 - u. Trade Unions Act, 1926
 - v. Weekly Holidays Act, 1942
 - w. The Telecom Regulatory Authority of India Act, 1997
 - x. Insurance Act, 1938
 - y. General Clauses, 1897
 - z. Foreign Trade (Development And Regulation) Act, 1992
 - aa. Employees' Provident Funds And Miscellaneous Provisions Act, 1952
 - bb. Employees' State Insurance Act, 1948
 - cc. Employees' State Insurance (Central) Rules, 1950
 - dd. Labour Laws including ESI Act, Employee's PF & Miscellaneous Provision Act, Payment of Bonus Act, Payment of Gratuity Act, Contract Labour Act, Employees Compensation Act, Equal Remuneration Act, Maternity Benefit Act
 - ee. Bureau of Indian Standards Act, 1986
 - ff. e-waste (Management and Handling) Rules, 2011
 - gg. Food and Safety Standards (Licensing and Registration of Food Business) Regulations, 2011
 - hh. The State Acts, rules, guidelines and regulations to the extent applicable to the Company based on the location of its offices across India.

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) and Section 118(10) of the Companies Act, 2013.

In my opinion and to the best of my information and according to the explanation given to me, I report that the Company has complied with all material aspects of applicable Secretarial Standards issued by ICSI with respect to General and Board meetings in accordance with Section 173(3) of the Act.

- b) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

The Company has complied with the requirements under the Listing Agreements entered into with BSE Limited and National Stock Exchange of India Limited.

Annexure to the Board's Report

2. Based on my examination and verification of the registers, records and documents produced to me and according to the information and explanations given to me by the Company : -

I report that the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 (the Act) and the rules made thereunder and with the Memorandum and Articles of Association of the Company with regard to:

- a) maintenance of various statutory registers and documents and making necessary entries therein;
- b) closure of the Register of Members;
- c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- e) notice of Board meetings and Committee meetings of Directors;
- f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- g) the 23rd Annual General Meeting held on 30th July 2014;
- h) minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- j) constitution of the Board of Directors /Committee(s) of Directors, appointment, retirement and re-appointment of Directors including the Executive Directors and Whole-time Director;
- k) payment of remuneration to Executive Director;
- l) appointment and remuneration of Auditors;
- m) transfer and transmission of the Company's shares, issue and allotment of shares, issue and delivery of share certificate(s) and duplicate share certificates wherever applicable;
- n) declaration and payment of dividends;
- o) transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
- p) investment of the Company's funds including inter-corporate loans and investments and loans to others;
- q) the Company has availed no secured loans during the year under review and consequently there were no requirements with regard to creation, modification or satisfaction of charges;
- r) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
- s) Directors' report;
- t) contracts, common seal, registered office and publication of name of the Company; and
- u) generally, all other applicable provisions of the Act and the Rules made under

3. I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance in accordance with Section 173(3) of the Act and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

- 4. I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

- 5.** On examination of the relevant documents and records in pursuance thereof, on test-check basis I further report that I have relied on the information and representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other Acts, Laws, and Regulations to the extent applicable to the Company.

Annexure to the Board's Report

6. I further report that during the said audit period:

The Company has filed the Court Order issued by the Hon'ble High Court of Karnataka approving the scheme of amalgamation of Mphasis Finsource Limited (Transferor Company) with Mphasis Limited (Transferee Company) with the Registrar of Companies, Karnataka-Bengaluru in INC-28 vide C19052067 dated 04/09/2014, in accordance with the provisions of the Act and rules made thereunder.

7. I further report that:

- (a) the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities;
- (b) the Directors have complied with the disclosure requirements in respect of their eligibility of appointment, being independent and compliance with the Code of Business Conduct and Ethics for Directors and Management Personnel;
- (c) the Company has obtained all necessary approvals under the various provisions of the aforesaid Acts and rules made thereunder, to the extent applicable; and
- (d) there was no prosecution initiated by any statutory authorities and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

Date : 22 May, 2015

Place : Bengaluru

S. P. NAGARAJAN
COMPANY SECRETARY

ACS: 10028
CP No.: 4738

Corporate Governance

I. COMPANY'S POLICY ON CORPORATE GOVERNANCE

Mphasis is committed to the highest standards of Corporate Governance in all its activities and processes and is directed towards enhancement of long-term value, keeping in view the interests of stakeholders, viz, Shareholders, Clients, Employees, Suppliers, Society and Regulatory Bodies. The Company strongly believes that the spirit of Corporate Governance fetches beyond the statutory acquiescence. The Company endeavors to meet the growing aspirations of the stakeholders and is committed to maintaining highest standards of transparency, fairness, accountability and equity in its operations. The principles of the governance are articulated in the Company's Code of Conduct and in its vision statement. The Company's Code of Business Conduct is an inclusive set of values fostering ethics and transparency reinforcing the integrity of the management, redress against frauds, and fairness in dealing with the Company's stakeholders. The Company's meaningful Corporate Social Responsibility activities and sustainability initiatives also enunciate the spirits of Corporate Governance.

Mphasis envisions redefining the paradigm for business success together and carries the mission to be a specialized enterprise at the confluence of people, profit and planet powered by inquisitive minds. Mphasis leverages the global talent and innovative blend of services and technology to deliver customer delight.

"Unleash the Next" represents our aspiration and commitment to business that drives the next wave of capabilities and services, integrating technology with business while grooming specialized talent to deliver a symbiotic success model. Our positioning statement is timeless, open ended and is applicable for our offerings, employees, customers and the community at large.

The Board recognizes that the governance expectations are constantly evolving and is committed to keep its standards of transparency and dissemination of information under review.

The following is a report on the status and progress on major aspects of Corporate Governance for the year ended 31 March 2015.

II. BOARD OF DIRECTORS

The basic responsibility of the Board is to provide effective governance over the Company's affairs. The Company's business is conducted by its employees under the overall supervision of the Chief Executive Officer, who is assisted by a council of Senior Managerial Personnel in different functions.

(a) Composition of the Board

As at 31 March 2015, the Board comprises of 9 directors of which, one is an executive director, five, including a woman director, are nominated by Hewlett-Packard Corporation (HP), USA and three are Independent Directors.

Mr. Chandrakant D Patel, Non-Executive Director, resigned from the Board effective closing hours of 30 September 2014. Ms. Mary Teresa Hassett was appointed on the Board as an additional director effective 30 September 2014.

Dr. Friedrich Froeschl, Non-Executive Independent Director, is the Chairman of the Board. Mr. James Mark Merritt, Non-Executive Director, is the Vice Chairman of the Board.

(b) Board Procedure:

i. Meetings of the Board:

The Board meets at regular intervals with an annual calendar and formal schedule of matters specifically reserved for its consideration to ensure that the matters in relation to Strategy, Operations, Governance, Finance and Compliances are reviewed. The annual calendar of meetings is communicated to the directors in advance to ensure maximum participation. The Board is regularly apprised on the performances of the Company at the meetings and is provided with necessary information and presentations on the matters concerning the business, compliances and quarterly financials to ensure effective discharge of its responsibility. The Directors of the Company, through their participation in board meetings provide inputs to management from their relevant fields of knowledge and expertise, viz. Information Technology, Business Process Outsourcing, Finance, Accounting, Marketing and Management Sciences.

The important decisions taken at the meetings are promptly communicated to the respective functionaries for their action. Further, the action items, arising out of the decisions of the Board are followed up and reviewed at the Board Meeting.

Primarily, the Board of Directors oversees and provides policy guidance on the business and affairs of Mphasis, while balancing the interests of different stakeholders. Among other things, the Board undertakes the following functions:

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1. reviews and assesses the business and the operational strategy and plans developed by management;
2. is responsible for CEO succession, evaluation & compensation;
3. satisfies itself that the Company is governed effectively in accordance with good corporate governance practices;
4. monitors management performance and directs corrections;
5. balances the interests of different stakeholders;
6. reviews and assesses the risks facing Mphasis and management approach to addressing such risks;
7. discharges statutory or contractual responsibilities;
8. oversees the reliability of external communications, especially to shareholders;
9. oversees the process for compliance with laws and regulations; and
10. monitoring and reviewing the Board Evaluation framework.

ii. Orientation for Directors:

The Company believes that it is pertinent for the Board members to know what is expected from them and equip them with necessary skills and knowledge which will enable the Board to take informed decisions. Thoughtful and thorough orientation is key to directors to realize their full potential to contribute to the collective mind set of the Board and avoids wastage of opportunities.

A director orientation program is a process which begins when a person is appointed as a Director. Upon appointment, a director is provided with a joining kit containing the Charters of the Board and Committees, Profiles of his/her colleagues on the Board and Senior Management, Board Calendar etc. These details are also hosted on a secured electronic platform which is available for the director's reference throughout his/her tenure. In addition to this, in-depth details of the Company is presented on one on one basis to the new director, covering Organization history and current set up, business offerings, Budgets, Board culture and process, duties, responsibilities and liabilities, to name a few. The Chairman, at the Board meeting, outlines the expectations of the Board from the directors.

The Orientation is continued by educating the directors on an on-going basis. The continued orientation program involves, review of the market units, presentation by external experts on topics of emerging significance, update on changes in competitive landscape and regulatory compliances. The directors step back and assist the Senior Management by understanding the strategy and provide effective guidance on select topic areas. This process provides an effective mechanism for the director to acquire specialized orientation. The Company conducts an annual Board Strategy meeting, which discusses the topics of significance, Company's strategies, Investors' and Customers' perspective etc. which helps the director to orient himself with the Company's operations, governance, strategy and perspective of stakeholders.

The adequacy perception of the orientation is ingrained into the Board evaluation parameters, which helps the Company to further build the orientation process. The orientation process is also uploaded on the website at www.mphasis.com.

(c) Board Meetings held during the year, attendance of directors and particulars of the Directorships, Committee Membership/ Chairmanship:

During the financial year 2014-15, five meetings of the Board were held on 14 May 2014, 30 July 2014, 29 October 2014 and 13 February 2015 in connection with the approval of quarterly results and a Board meeting on 11&12 February 2015 in connection with the strategy review by the Board. The details of the attendance at the meetings of the Board and at the last AGM together with the particulars of the other directorship, committee membership/chairmanship, are given below:

Name	Category	Attendance During 2014-2015			Particulars of other Directorship, Committee Membership / Chairmanship			
		Board Meetings		Last AGM	Other Directorships (Director in Public Limited Companies) ¹	Independent Directorships in other Listed Companies ²	Committee Memberships ³	Committee Chairmanships ⁴
		Number of meetings held during tenure	No. of meetings attended					
Executive Director								
Mr. Balu Ganesh Ayyar	Chief Executive Officer	5	5	Yes	-	Nil	1	-
Non-Executive Directors								
Dr. Friedrich Froeschl	Chairman, Independent Director	5	5	Yes	-	Nil	1	-

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Name	Category	Attendance During 2014-2015			Particulars of other Directorship, Committee Membership / Chairmanship			
		Board Meetings		Last AGM	Other Directorships (Director in Public Limited Companies) ¹	Independent Directorships in other Listed Companies ²	Committee Memberships ³	Committee Chairmanships ⁴
		Number of meetings held during tenure	No. of meetings attended					
Mr. James Mark Merritt	Vice Chairman, Non-Independent Director	5	5	Yes	-	NA	1	-
Mr. Davinder Singh Brar	Independent Director	5	4	Yes	16 (3)	2	6	1
Mr. Narayanan Kumar	Independent Director	5	5	Yes	12 (6)	4	1	3
Mr. Lakshmikanth K Ananth	Non-Independent Director	5	3	No	-	NA	2	-
Mr. Shankar Maitra	Non-Independent Director	5	5	Yes	-	NA	-	-
Mr. Stefan Antonio Lutz	Non-Independent Director	5	5	Yes	-	NA	-	-
Ms. Mary Teresa Hassett ⁵	Non-Independent Director	3	3	NA	-	NA	-	-
Ceased to be a Director								
Mr. Chandrakant D Patel ⁶	Non-Independent Director	2	2	Yes	-	NA	-	-

NA – Not Applicable

Notes:

1. Does not include directorships in foreign companies and membership in governing councils, chambers and other bodies.
2. Applicable for directorship in listed companies for Independent Directors and executive directors.
3. Includes membership/Chairmanship in Audit Committee and Stakeholders Relationship Committee of public limited companies, including Mphasis Limited.
4. There are no relationships inter-se directors as on 31 March 2015.
5. Appointed as an additional director during the year, effective 30 September 2014.
6. Resigned as a director with effect from closing hours of 30 September 2014.

(d) Independent Directors Meeting:

The Independent Directors of the Company meets every quarter before the Board Meeting without the presence of the management to discuss the Company's operations and Performance. During the year, the Independent Directors have inter-alia, considered the following:

1. review the performance of non-independent directors and the Board as a whole;
2. review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
3. assess of flow of information between the Company management and the Board

III. COMMITTEES

(a) Audit Committee

The primary function of the Audit Committee, as per its Charter, is to provide assistance to the Board of Directors in fulfilling their oversight responsibility to the shareholders and others, inter-alia, relating to:

- overseeing the processes of ensuring the integrity of the Company's financial statements;
- overseeing the processes for compliance with laws and regulations;
- overseeing the process by which anonymous complaints pertaining to financial or commercial matters are received and acted upon;
- reviewing the process for entering into related party transactions and related disclosures;

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- satisfying itself regarding the conformance of CEO's remuneration, expense reimbursements and use of Company assets with terms of his employment and Company's rules and policies;
- evaluating the internal financial controls and risk management systems;
- overseeing the process of inter-corporate transactions and scrutinizing the inter-corporate loans and investments; and
- scrutiny of related party transactions including material related party transactions.

During the year ended 31 March 2015, four meetings of the Audit Committee were held on 14 May 2014, 29 July 2014, 29 October 2014 and 13 February 2015.

The composition of the Committee and the attendance at each of the meetings held during the year ended 31 March 2015 are given below:

Member	No. of Meetings held during tenure	No. of Meetings attended
Mr. Narayanan Kumar, Chairman	4	4
Mr. Davinder Singh Brar	4	3
Dr. Friedrich Froeschl	4	4
Mr. Lakshmikanth K Ananth	4	2

(b) Share Transfer Committee

In order to expedite the requests of the shareholders, in connection with transfers, demats and other related process, the Board constituted a Share Transfer Committee. The Share Transfer Committee of the Board is authorized inter-alia to approve physical transfers/transmissions/ transpositions/ dematerialization/re-materialization requests, issue of duplicate share certificates, issue of fresh share certificates, release of stop transfer cases etc.

The composition of the Committee is as follows:

Mr. Balu Ganesh Ayyar	-	Chairman
Mr. Davinder Singh Brar	-	Member
Mr. Shankar Maitra	-	Member

During the year ended 31 March 2015, the Share Transfer Committee passed resolutions approving transfers and other related matters on 10 April 2014, 3 July 2014, 4 August 2014, 10 September 2014, 30 September 2014 and 2 January 2015.

The Company ensures that the transfer of shares is effected within the statutory stipulated time of their due lodgment. The Company has appointed Integrated Enterprises (India) Limited, a SEBI registered Registrar and Transfer Agent, as its Share Transfer Agent.

(c) Nomination and Remuneration Committee (Earlier Compensation Committee)

i. Brief description of terms of reference of the Committee, composition and attendance:

In order to provide an oversight of the functioning of the Compensation and Benefit Plans, and to provide for fair and transparent nomination process for the directors, the Board of Directors of the Company have constituted a Nomination and Remuneration Committee. The Committee was formed by re-titling the erstwhile Compensation Committee and providing for additional matters as required under the law.

The composition of the Committee is as follows:

Mr. Davinder Singh Brar	-	Chairman
Dr. Friedrich Froeschl	-	Member
Mr. Shankar Maitra	-	Member
Ms. Mary Teresa Hassett	-	Member

The Committee meets based on the business to be transacted. During the year the ended 31 March 2015, Committee met on 29 July 2014 and 10 February 2015 at which all the members were present. In addition to the meeting, telecon meetings were held on 5&7 May 2014 and 17 October 2014.

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ii. Remuneration Policy

Whilst the remuneration policy of the Directors is aligned towards rewarding participation in meetings and is in consonance with Industry benchmarks and provisions of the law. The objective of the Policy is to attract and retain excellent talent while delivering optimal value to the business. The executive remuneration policy is aligned with an objective to recognize the need to be competitive in the National and International market by ensuring fair and reasonable rewards for high levels of performance.

The remuneration policy is uploaded on the website of the Company www.mphasis.com in the Investors Section under the Corporate Governance page. The key points of the remuneration policy for the directors and executives are given below:

(a) Non-Executive Directors

The Company pays commission to its Independent Non-Executive Directors as per the remuneration matrix approved by the shareholders of the Company. The amount of such commission, taken together for all Independent Non-Executive Directors, does not exceed 1% of the net profits of the Company in any financial year.

The remuneration matrix for the Independent directors is as follows:

Particulars	Factor	Max Remuneration (₹ Lacs)
Fixed Remuneration – Indian Directors	Flat Fee p.a.	28.00
Fixed Remuneration – Foreign Directors	Flat Fee p.a.	44.00
Variable Remuneration determined based on the following:		
– Board Chairmanship	Flat Fee p.a.	10.00
– Board Meeting Attendance	Per Meeting	0.75
– General Body Meeting Attendance	Per Meeting	0.50
– Audit Chairmanship	Flat Fee p.a.	5.00
– Audit Membership	Per Meeting	0.40
– Nomination and Remuneration Committee Chairmanship	Flat Fee p.a.	1.00
– Nomination and Remuneration Committee Membership Attendance	Per Meeting	0.25
– Strategy Committee Chairmanship	Flat Fee p.a.	1.00
– Strategy Committee Membership Attendance	Per Meeting	0.25

Note : The portions of the remuneration denominated as “Per Meeting” are applicable in respect of the meetings actually held and participated in person by the Independent Directors, which is statutorily counted for quorum.

None of the directors are paid any sitting fees for attending the meetings of the Board and Committees thereof on which they are members. The Non-Executive Directors other than the Independent Directors do not receive any remuneration from the Company except for reimbursement of travelling and accommodation expenses, as may be decided by the Board of Directors of the Company, for attending the meetings of the Board and Committees thereof. There was no pecuniary relationship or transaction with any director other than that reported above.

(b) Executive Director

Mr. Balu Ganesh Ayyar is the Chief Executive Officer (Executive Director) of the Company. The Board of Directors / the Nomination and Remuneration Committee of Directors is authorized to decide the remuneration of Executive Director, subject to the approval of the members and Central Government, if required. The remuneration structure comprises of Salary, Perquisites, Retirement benefits, Variable Pay and Equity based compensation. Annual increments are decided by the Nomination and Remuneration Committee within the salary limits approved by the members of the Company.

The variable pay compensation and equity based compensation constitute remuneration other than the fixed pay. Variable pay is computed on the basis of specific targets set for the executive director every year which is linked to the Company's performance. Variable pay is paid to the executive director on achievement of the said targets. The equity based compensation will be in accordance with the stock options/stock units plan of the Company which aligns with the long term interest of the Company and stakeholders.

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(c) Other Employees

The Company's executive remuneration policy for the Senior Executives including the Key Managerial Personnel, is guided by the Mphasis Compensation and Benefits Manual. The Policy is aligned with an objective to recognize the need to be competitive in the National and International market by ensuring fair and reasonable rewards for high levels of performance, enabling stable leadership and governance in the Company. The remuneration policy aims to attract, retain and motivate skilled executives keeping in mind the short term and long term objectives of the investors. The remuneration of executives comprises of Fixed and Variable compensation and equity based compensation in form of Restricted Stock Units and Stock Options in order to align with the long term interest of the Company and stakeholders.

The remuneration policy for the executives is hosted on the website of the Company at www.mphasis.com in the Investors section.

iii. Details of Remuneration to the Directors for the financial period–2014-2015

(₹ million)

Name of Director	Salary	Bonus	Benefits / Perquisite	Commission ²	PF & other Funds	Total
Mr. Balu Ganesh Ayyar ¹	35.64	41.00	10.99	-	1.12	88.75
Dr. Friedrich Froeschl	-	-	-	6.19	-	6.19
Mr. Davinder Singh Brar	-	-	-	3.42	-	3.42
Mr. Narayanan Kumar	-	-	-	3.89	-	3.89
Total	35.64	41.00	10.99	13.5	1.12	102.25

¹ As per contract executed with Mr. Balu Ganesh Ayyar.

² The Commission was paid for the year ended 31 March 2015 and is in terms of the approval of the shareholders.

Mr. Balu Ganesh Ayyar, Chief Executive Officer, holds 58,000 vested stock options under Employee Stock Option Plan 2012, which are yet to be exercised and 36,000 unvested stock options under Restricted Stock Units Plan 2014, which are yet to be vested. In terms of the schemes, upon exercise, each of the stock option/unit is eligible for issuance of one equity share of ₹ 10 each. In addition to this, he holds Restricted Stock Units of the parent company, Hewlett-Packard Corporation.

None of the other directors were granted any stock options of Mphasis Limited during the year ended 31 March 2015.

iv. Details of shares held by the directors

As on 31 March 2015, none of the directors, except Mr. Balu Ganesh Ayyar, Chief Executive Officer, held any equity shares of the Company. As at 31 March 2015, he holds 17,010 equity shares of ₹ 10 each of the Company.

v. Board Assessment

Performance assessment of the Board, Individual directors including Independent directors and Chairperson involves directors undertaking a critical review as a collective body and identifying Board's strengths and weaknesses and is initiated towards enhancement of Board's performance. The assessment is carried on an annual basis by means of a structured questionnaire with forced ranking methodology.

During the year, the performance evaluation of the Independent Directors was carried out by the entire Board based on the framework recommended by the Nomination and Remuneration Committee. The criteria included were evaluation of the Board Culture, Sub-committees, Board Management, evaluation of directors' abilities in terms of understanding the business of the Company, engaging with the management, participation at the meetings, etc. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

vi. Board Diversity

Diversity is intrinsically woven into the culture of Mphasis. The Company has always been committed to ensure that the workplace is free from any form of discrimination based on gender, age, race, religion, disability or sexual orientation. Mphasis respects each of its stakeholders associated with it and values their differences. The Board of the Company had adopted a Board Diversity Policy as per the requirements of law with an emphasis to recognize inclusion of woman director on the Board.

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All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The Board Diversity Policy has been uploaded on the website of the Company at www.mphasis.com in the Investors Section.

vii. Remuneration Report

The remuneration to the employees and directors are paid as per the remuneration policy of the Company. During the year, in line with the Industry standards and to remain competitive in the market place, Mr. Balu Ganesh Ayyar, CEO was awarded with an incremental variable pay of 5.88% of the total salary, as compared to increment of 6.83% to the employees. There was no increase in the remuneration payable to the non-executive directors. The variable component of the Salary of CEO is linked to the performance targets for the overall Mphasis Group in terms of Revenue and EPS and for other employees, the Company has a defined performance targets linked to the consolidated statement of Profit and Loss, in addition to their performance. The increments in the pay are in consonance to average Industry standards and requirement to recognize the critical talents. There are no employees receiving remuneration in excess of the remuneration received by the executive director. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the year ended 31 March 2015 is given below. There was no increase in the median remuneration of the employees of the Company in comparison to the previous financial year.

Name of the Director	Remuneration Paid (₹ million)	Ratio to Median Remuneration (in times)
Mr. Balu Ganesh Ayyar	88.75	199 times
Dr. Friedrich Froeschl	6.19	14 times
Mr. Davinder Singh Brar	3.42	8 times
Mr. Narayanan Kumar	3.89	9 times
Total	102.25	

Note: ratio is rounded off to the nearest integer.

(d) CSR Committee

As required under Section 135 of the Companies Act, 2013, and Rules made thereunder the Board of Directors has constituted a CSR Committee on 13 March 2014. The primary function of the committee is to assist the Board of Directors in formulating a Corporate Social responsibility (CSR) Policy and review the implementation and progress of the same from time to time. The Committee comprises of the following members:

Mr. Narayanan Kumar	-	Chairman
Mr. Davinder Singh Brar	-	Member
Ms. Mary Teresa Hassett	-	Member
Mr. Balu Ganesh Ayyar	-	Member

Telecon meetings of the Committee were held on 10 June 2014 and 22 January 2015 to discuss the CSR matters, wherein the CSR Committee considered and recommended the CSR Policy, CSR Budgets and was apprised on the status of implementation of the CSR Projects.

(e) ESOP Compensation Committee (Earlier ESOP Committee)

The Board of Directors of the Company has constituted an ESOP Compensation Committee as per law and during the year the terms of reference of the ESOP Compensation Committee was amended by inclusion of additional matters in accordance with the requirements of the Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014.

The primary function of the Committee is to administer Stock Options plans of the Company including the grants made thereunder. The Committee comprises of the following members:

Mr. Balu Ganesh Ayyar	-	Chairman
Mr. Davinder Singh Brar	-	Member
Mr. Narayanan Kumar	-	Member
Ms. Mary Teresa Hassett	-	Member

During the year ended 31 March 2015, the ESOP Compensation Committee has, on a periodic basis, approved exercise of 6,002 equity shares of ₹ 10 each under the ESOP Schemes – 1998 and 2004. The said shares have been duly credited to the employees and have been listed with the Stock Exchanges.

The Committee also approved the grant of 470,000 RSU's under Restricted Stock Units Plan 2014.

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(f) Stakeholders Relationship Committee (Earlier Investor Grievance Committee)

The Company attaches importance to the Investor relations and is committed on redressal of grievances on a timely manner. The Board of Directors of the Company has constituted a Stakeholders Relationship Committee for this purpose. In view of aligning with the provisions of section 178 of Companies Act, 2013, the Investor Grievance Committee was renamed as Stakeholders Relationship Committee vide resolution passed by the Board of Directors of the Company dated 30 July 2014.

The details of the correspondence with the shareholders including the details of the Investor Grievances, if any, are placed before the Committee members on a monthly basis.

The status of Investor Complaints during the year ended 31 March 2015, is as under:

Complaints as on 1 April 2014	:	Nil
Received during the year	:	2
Resolved during the year	:	2
Pending as on 31 March 2015	:	Nil

The Committee comprises the following members:

Mr. Davinder Singh Brar	-	Chairman
Mr. Lakshmikanth K Ananth	-	Member
Mr. James Mark Merritt	-	Member
Mr. Balu Ganesh Ayyar	-	Member

Name, Designation and Address of Compliance Officer

Mr. A Sivaram Nair
 Executive Vice President, Company Secretary, General Counsel & Ethics Officer
 Mphasis Limited
 Bagmane World Technology Center,
 Marathalli Outer Ring Road, Doddanakhundi Village,
 Mahadevapura, Bengaluru - 560048

Treasury and Operations Committee

Considering the desired focus on the treasury and business operations, the Board has constituted a "Treasury and Operations Committee". The powers and functions of the Committee include, oversight of liquidity management and banking operations, exchange risk management, investment portfolio/interest rate risk management, approval for capital expenditure/hardware resale and settlement of legal cases beyond certain limits. The present composition of this Committee is as follows:

Mr. Davinder Singh Brar	-	Chairman
Mr. Balu Ganesh Ayyar	-	Member
Mr. Shankar Maitra	-	Member

During the year ended 31 March 2015, a meeting of the Treasury and Operations Committee was held on 29 July 2014 at which all the members were present and the Committee held telecon meeting on 21 January 2015.

(g) Strategy Committee

The primary function of the Committee is to oversee the Company's strategic planning process, review and advise on strategic proposals, evaluate the potentials for the growth opportunities of the Company etc. and make appropriate recommendations to the Board. The present composition of this Committee is as follows:

Dr. Friedrich Froeschl	-	Chairman
Mr. Stefan Antonio Lutz	-	Member
Mr. Balu Ganesh Ayyar	-	Member
Mr. Lakshmikanth K Ananth	-	Member
Mr. James Mark Merritt	-	Member

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During the year, the Strategy Committee met twice on 13 May 2014 and 29 July 2014. The attendance at each of the meetings held during the year ended 31 March 2015 are given below:

Member	No. of Meetings held during tenure	No. of Meetings attended
Dr. Friedrich Froeschl, Chairman	2	2
Mr. Chandrakant D Patel ¹	2	2
Mr. Stefan Antonio Lutz	2	2
Mr. Lakshmikanth K Ananth	2	Nil
Mr. Balu Ganesh Ayyar	2	2
Mr. James Mark Merritt ²	NA	NA

NA - Not Applicable

Notes:

¹ Resigned as director with effect from closing hours of 30 September 2014

² Appointed as member with effect from 29 October 2014

IV. MEETINGS OF THE SHAREHOLDERS

(a) Location and time of last three AGMs:

The following is the summary of the Annual General Meetings (AGM) of the Company held during the last three years:

AGM	Date & Time	Venue
Twenty First Annual General Meeting	1 February 2013 3:30 PM	Hotel Park Plaza, No. 90/4, Marathahalli, Outer Ring Road, Bengaluru - 560 037
Twenty Second Annual General Meeting	5 February 2014 3:30 PM	The Chancery Pavilion Hotel, No. 135, Residency Road, Bengaluru – 560025.
Twenty Third Annual General Meeting	30 July 2014 10:00 AM	The Chancery Pavilion Hotel, No. 135, Residency Road, Bengaluru – 560025.

(b) Special Resolutions transacted at the Annual General Meetings held in the last three years with Voting Pattern:

Approval of the Members for payment of remuneration by way of commission not exceeding 1% of the net profits of the Company, to be paid to and distributed amongst the non-executive directors of the Company, passed unanimously at the Twenty First Annual General Meeting held on 1 February 2013.

(c) Voting by Postal Ballot:

As per the requirements of the listing agreement with Stock Exchanges, the Company is pleased to provide facility of voting by postal ballot to the members who do not have access to electronic voting facility. The members are requested to read the instructions given in relation to voting by Postal Ballot in the General Shareholders Information section of the Annual Report.

V. DISCLOSURES

There are no materially significant related party transactions which have potential conflict with the interests of the Company at large. The details of material related party transactions are filed with the stock exchanges on a quarterly basis. Related party transactions are reported in Note No. 25 to the Standalone financial statements of the Company. The Board of Directors of the Company in its meeting held on 30 July 2014 have approved a Policy on materiality of related party transactions and the same is hosted on the website of the Company: www.mphasis.com in the Investors section under the Corporate Governance page. The Audit Committee of the Board has delegated the powers to approve the routine non-material related party transactions as per the provisions of the listing agreement severally to the Chief Executive Officer and Chief Financial Officer and the details of such transactions are placed before the Committee on a quarterly basis.

The code of conduct of the Board of Directors and senior management has also been disclosed on the website.

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No penalty has been imposed on the Company on any matter relating to Capital Markets by the Stock Exchanges or Securities & Exchange Board of India or any other statutory authority from the date of inception of the Company.

At Mphasis we have a free and fair channel of communication for concerns about integrity, unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Audit Committee Chairman is the Ombudsperson and access to the Ombudsperson is provided in deserving cases. There has been no instance where any personnel of the Company have been denied access to the Audit Committee.

The objective of the Whistleblower Policy is to provide anyone observing an illegal or unethical practice within the organization, secure means to raise that concern, without fear of retaliation. All companies of Mphasis Group and people associated with the Company viz., Customers, Vendors etc. can raise such concerns through written complaints deposited in drop-boxes at any of our offices, through e-mails or through the whistleblower hotline numbers.

The Company has complied with all mandatory requirements of the Clause 49 of the Listing Agreement. As regards the non-mandatory requirement, the Company has separate persons to the posts of Chairman and Chief Executive Officer and the Internal Audits has access to Audit Committee.

As required under the provisions of the law, the following disclosure documents are uploaded on the website of the Company at <http://www.mphasis.com/CorporateGovernance.html>. Investors are encouraged to visit the website of the Company to access such documents:

1. Quarterly Shareholding Pattern
2. Disclosures of Voting Results
3. Letters of re-appointment of Independent Directors
4. Mphasis Related Party Policy
5. Corporate Social Responsibility Policy
6. Policy on Board diversity
7. Policy on Material subsidiaries
8. Code of Conduct for prevention of Insider Trading
9. Code of Conduct for directors and employees of the Company
10. Employees responsible for statutory compliance
11. Process of familiarization program for directors
12. Remuneration Policy for Executives and Directors

VI. INTERNAL CONTROLS

The Company has adequate internal control systems in place and also has reasonable assurance on authorizing, recording and reporting transactions of its operations in all material respects and in providing protection and safeguard against misuse or loss of assets of the Company. The Company has in place, well documented procedures covering critical financial and operational functions commensurate with the size and complexities of the organization.

Some of the salient features of the internal control system in place are:-

1. Adhering to the applicable Accounting Standards and Policies.
2. ERP system connecting all offices enabling seamless data and information flow. This is constantly reviewed to enhance the internal control check points.
3. Preparation of annual budget for operation and service functions and monitoring the same with actual performance at regular intervals.
4. All assets are properly recorded and procedures have been put in place to safeguard against any loss or unauthorized use or disposal.
5. Internal audit is carried based on the Audit universe coverage and Internal Audit Plan approved by the Audit Committee.
6. The observations arising out of internal audit are periodically reviewed at the Audit Committee meetings along with follow up action.
7. Quarterly presentations are made to the Audit Committee on enterprise risks faced by the Company and action plan of the Company to mitigate the same.

In addition, the Company uses the services of an external firm to periodically review various aspects of the internal control system to ensure that such controls are operating in the way expected and whether any modification is required.

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The Internal Audit function develops an audit plan for the Company, which includes a mix of financial, operational, compliance and IT areas. The audit coverage includes corporate, core business operations, as well as support function activities. The annual internal audit plan is approved by the Audit Committee and is followed for Internal Audits by the external firm. The audit results and recommended management actions are presented to the Audit Committee on a quarterly basis. The status of the management actions are followed by the Internal Audit function and are reported to the Audit Committee on a quarterly basis.

The Company's internal financial controls are deployed through an internally evolved framework that address material risks in your Company's operations and financial reporting objectives, through a combination of entity level controls (including Enterprise Risk Management, Legal Compliance Framework and Anti-fraud Mechanisms such as Ethics Framework, Code of Conduct, Whistleblower Policy, etc.), process controls (both manual and automated), information technology based controls, period end financial reporting and closing controls and through internal audit.

VII. MEANS OF COMMUNICATION

The Board of Directors of the Company approves and takes on record the audited quarterly financial results and the results are announced to all the Stock Exchanges where the shares of the Company are listed and also to various news agencies pan India. Further, the quarterly and annual audited financial results are also published in leading newspapers within 48 hours of the conclusion of the meetings of the Board in which they are taken on record. Generally, the quarterly results are published in various editions of The Business Standard and Samyukta Karnataka-Kannada. The quarterly and annual results are hosted on the Company's website www.mphasis.com. The website also contains a copy of presentations on the financial results of the Company. The Company's website has in it a separate page for investor's relations, wherein the financial results, shareholding pattern, share price information, are hosted for the knowledge of the Investors.

In addition to the above, the Company participates in the earnings call with various Investors, Analysts and Broking Houses. The transcripts of the earnings call are hosted on the website of the Company for the information of the other Investors as required under the provisions of the Listing Agreement.

Press briefings are held after important occasion viz., announcement of quarterly results, acquisition of new entity etc. The press releases issued from time to time are informed to the Stock Exchanges where the equity shares of the Company are listed and are also hosted on the Company's website.

The Annual Reports of the Company are available on the website of the Stock Exchanges, in accordance with the provisions of the Circular No. CIR\CFD\DCR\5\2010 dated 7 May 2010.

In line with the Circulars of the Ministry of Corporate Affairs (MCA) on 'Green Initiative' allowing paperless compliances by companies, the Company serves documents like Notices, Annual Reports and other statutory communications to its shareholders through e-mail at the registered e-mail addresses. The physical copies of the Annual Report for such shareholders are sent upon request. Members are requested to note that documents sent through the electronic mode will also be available on the Company's website – www.mphasis.com. The Company would like to urge the shareholders to support this initiative of the MCA and contribute towards a greater sustainability by registering their e-mail addresses, if not already registered.

The Financial Results of the Company, Shareholding Pattern and the Corporate Governance Report filed with the National Stock Exchange of India Limited (NSE) under the Listing Agreement are also uploaded in NSE Electronic Application Processing System (NEAPS).

The details of directors of the Company are maintained in www.indianboards.com, a specific website maintained by NSE.

VIII. GENERAL SHAREHOLDERS INFORMATION

(a) Details of the AGM

Date

9 September 2015

Time

10.00 AM

Venue

The Chancery Pavilion Hotel, No. 135, Residency Road, Bengaluru - 560 025

Corporate Governance

Procedure at the AGM

(the procedures captures the applicable provisions of the Companies Act, 2013, which has been notified as at the date of the report).

ATTENDANCE

Every member shall have a right to attend and speak at the Annual General Meeting. A member can vote at the Annual General Meeting provided he/she has not voted through e-voting or through postal ballot. A person is considered to be a member of the Company if his/her name appears on the Register of Members or a beneficiary holder in the books of National Securities Depositories Limited or the Central Depository Services (India) Limited.

If you intend coming to the meeting:

If you intend coming to the meeting in person, please do complete and bring the Attendance Slip and the copy of your Annual Report. Copies of the Annual Report will not be distributed at the meeting. Kindly note that every joint shareholder can attend and speak at the meeting.

If you do not intend coming in person but would like to appoint someone to act on your behalf:

If you do not wish or are unable to attend the meeting, your vote is still important. We would urge you, regardless of the number of shares you own, to appoint someone to act on your behalf and to vote at the Annual General Meeting. The person so appointed by you is known as a proxy. In case you have voted on the resolutions through e-voting or Postal Ballot, the proxy can only attend the Annual General Meeting. In case you wish to appoint a proxy, we call upon you to complete, sign and return the accompanying proxy form. However, it may be noted that appointment of a proxy will not preclude yourself from attending the meeting in person. In case you attend the meeting after appointing a proxy, then the proxy shall be deemed to have been revoked.

The accompanying proxy appointment form enables you to appoint person of your choice to act as a proxy on your behalf. However, such person should be capable of entering into contract.

Before completing the form please read the following explanatory notes.

A single proxy cannot represent more than 50 persons and represent for more than 10% of the voting rights of the Company. We urge you to ensure compliance with this before appointment of the proxy so that the proxy is valid and can be accepted.

You may appoint more than one proxy. However, only one proxy may attend the meeting. Please date, sign and affix a revenue stamp of Re. 1/- on the proxy form. In case of joint holders any one of the holders can sign.

Where the person appointing the proxy is a corporation, the form must be either under its Common Seal or under the hand of a duly authorized officer or attorney and the appropriate power of attorney or other authority must be lodged along with the proxy form.

The proxy to be valid, the proxy form together with any authority must be received at the Registered Office of the Company not later than 10:00 am on Monday, 7 September 2015.

Attendance Slips

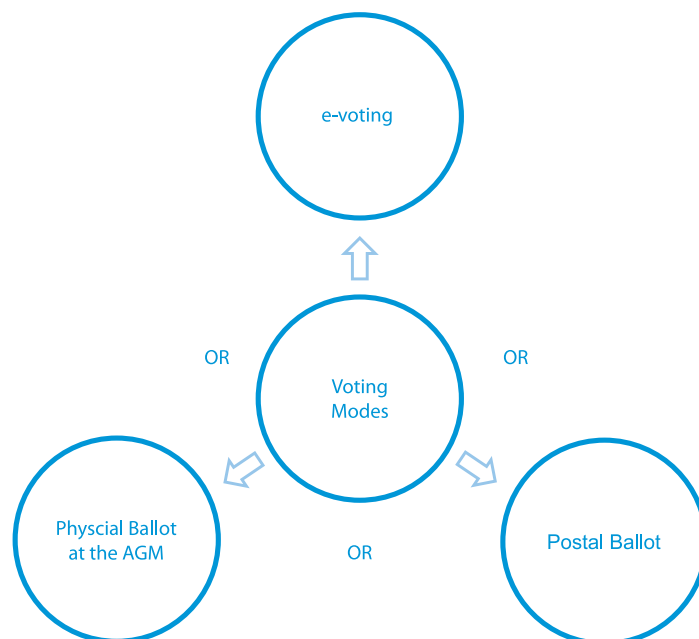
The Members and Proxies are requested to bring their Attendance Slips sent herewith duly completed in all respects. The persons representing the Body Corporate should additionally produce necessary authority executed by the Body Corporate in their favour along with the attendance slip.

VOTING

The Company has made available three modes of voting, viz, e-voting, voting by postal ballot and physical voting at the Annual General Meeting, to ensure wider participation of members. Members are requested to use any one of the above modes to cast their vote.

Corporate Governance

Please read the following instructions carefully in relation to voting:



Remote e-voting:

Pursuant to provisions of Companies Act, 2013, the Company is pleased to provide members, facility to exercise their right to vote at the 24th Annual General Meeting (AGM) by electronic means and the businesses of the meeting shall be transacted through remote e-voting Services provided by National Securities Depository Limited (NSDL). The Company has approached NSDL for providing remote e-voting services.

The shareholders may cast their vote electronically during the period when the remote e-voting is open. The remote e-voting module shall be disabled for voting thereafter. The shareholder shall not be allowed to change his e-vote once a vote on a resolution is cast by the shareholder in the e-voting module. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on, Thursday, 3 September 2015.

1. The process and manner for remote e-voting are as under:

- a) **In case a Member receives an e-mail from NSDL [for members whose e-mail IDs are registered with the Company/ Depository Participants(s)] :**
- (i) Open e-mail and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as the password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "Mphasis Limited".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

Corporate Governance

- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer, Mr. S P Nagarajan through e-mail to cs@nagarajansp818.com with a copy marked to evoting@nsdl.co.in.

b. In case a member receives physical copy of the Notice of the AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

- (i) Initial password is provided as below in the Postal Ballot Form:

<u>EVEN (Remote e-voting Event Number)</u>	<u>USER ID</u>	<u>PASSWORD/PIN</u>
--	--------------------------------	-------------------------------------

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
3. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
4. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
5. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Thursday, 3 September 2015.
6. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Thursday, 3 September 2015, such member may obtain the login ID and password by sending a request at evoting@nsdl.co.in or giri@integratedindia.com (RTA).
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the toll free No.: 1800-222-990.
7. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
8. Any queries or grievances in relation to the electronic voting may be addressed to Mr. A Sivaram Nair, EVP, and Company Secretary, General Counsel and Ethics officer at the registered office of the Company or may be e-mailed to sivaram.nair@mphasis.com.

[Voting through postal ballot:](#)

In compliance with provisions of Clause 35B of the Listing Agreement and in compliance with Companies (Management and Administration) Rules, 2014, the Company is also providing members who do not have access to remote e-voting facility, the facility to exercise their right to vote on resolutions proposed to be considered at the 24 AGM by Postal Ballot.

The postal ballot form with instructions and the self-addressed business reply envelope has been dispatched to those shareholders who have not registered their email ids with the depositories/company alongwith the notice of the 24 Annual General Meeting.

The members receiving the postal ballot form are requested to return the duly completed ballot form, with the assent (for) or dissent (against) in the pre-paid envelope sent alongwith the postal ballot form so as to reach the Scrutinizer on or before 5:00 PM on Tuesday, 8 September 2015 for being considered as an eligible vote, failing which it will be strictly treated as if no reply has been received from the member.

Members are requested to read the following instructions for the postal ballot voting:

1. A member desiring to exercise vote by postal ballot may complete the Postal Ballot Form sent along with the Notice of the Annual General Meeting and send it to the Scrutinizer in self-addressed business reply envelope attached thereto. Postage will be borne and paid by the Company. However, envelopes containing postal ballots if sent by Courier or by Registered Post at the expense of the registered shareholder will also be accepted.
2. The self-addressed envelope bears the address of the Scrutinizer appointed by the Board of Directors of the Company.
3. The Postal Ballot Form should be completed and signed by the shareholder as per the Specimen signature registered with the Company. In case of joint holdings, this form should be completed and signed (as per the specimen signature registered with the Company) by the first named shareholder and in his/her absence, by the next named shareholder.

Corporate Governance

4. Postal Ballot Forms signed in the representative capacity of a body corporate, trusts, societies etc. must be accompanied by a certified true copy of the relevant authorization to vote on the Postal Ballot Form and Specimen Signature of the Authorized Signatory.
5. **Duly completed Postal Ballot Form should reach the Scrutinizer not later than close of working hours (5:00 pm) on Tuesday, 8 September 2015. Postal Ballot forms received after this date will be strictly treated as if the reply from the shareholder has not been received.**
6. **The right of voting by Postal Ballot shall not be exercised by a Proxy.**
7. Unsigned/Incorrect Postal Ballot Form will be rejected.
8. The postal ballots received from the shareholder shall be considered for vote only if such person is a member of the Company as on Thursday, 3 September 2015, being cut off date fixed under the e-voting process.
9. Members have the option to request for a physical copy of the Ballot Form by sending an e-mail to cs@nagarajsp818.com by mentioning their Folio No./DP ID and Client ID No. However, the duly completed Ballot Forms should reach the Scrutinizer not later than Tuesday, 8 September 2015 (5.00 p.m. IST).
10. The vote must be cast by recording the assent in the column "For" or dissent in the column "Against" by placing a tick mark (✓) in the appropriate column in the postal ballot form. The assent or dissent received in any other form shall not be considered as valid. Postal Ballot Forms bearing tick (✓) mark in both the columns will render the form invalid.
11. Shareholders are requested not to send any other paper alongwith the Postal Ballot Form. They are also requested not to write anything on the Postal Ballot Form except giving their assent or dissent and putting their signature.
12. The Scrutinizer's decision on the validity of a Postal Ballot Form will be final.

Voting at the Annual General Meeting through physical ballot:

The facility for voting through a physical ballot paper shall be made available at the Annual General Meeting and the members attending the meeting, who have not cast their vote by remote e-voting or by postal ballot, shall only, be able to exercise their right to vote at the meeting through physical ballot paper.

For the purpose of voting, scrutinizer/volunteers would distribute the ballot papers to all those members who are present at the Annual General Meeting and who have not cast their votes by availing either the remote e-voting or the postal ballot facility.

Please complete the same as per the instructions contained in ballot paper and drop it in the ballot boxes kept for the purpose. Valid Proxies can also participate in the poll and cast their ballots.

PROCEEDINGS AT THE MEETING

The Chairman shall after discussion on all the items of business placed before the members order a physical ballot to be taken for the shareholders who have not voted either through e-voting or through postal ballot. The eligible shareholders may cast their votes thereafter. The scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and after taking into consideration the votes casted through postal ballot make, not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing.

SCHEDULE OF EVENTS FOR VOTING AND DECLARATION OF VOTING RESULTS

Events	Planned dates (Tentative)
Dispatch of Annual Report and Postal Ballot Forms	On or before Saturday, 8 August 2015
Advertisement regarding dispatch of notices and public notice regarding e-voting in English and Kannada language	Simultaneously with the dispatch of Annual Report and Postal Ballot forms
Cut-off date for remote e-voting	Thursday, 3 September 2015
Commencement of remote e-voting	Saturday, 5 September 2015, at 9.00 AM
Closing of the e-voting	Tuesday, 8 September 2015 at 5:00 PM
Last date of receipt of postal ballot voting	Tuesday, 8 September 2015 at 5:00 PM
Physical Voting at AGM	Wednesday, 9 September 2015
Declaration of results of voting	Forthwith, upon receipt of Scrutinizer report within three days from the date of AGM.

Corporate Governance

VOTING RESULTS:

The results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company, www.mphasis.com (<http://www.mphasis.com/CorporateGovernance.html>) and on the website of NSDL (www.evoting.nsdl.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchanges where the shares of the Company are listed. In addition, the results shall also be displayed on the Notice Board of the Company at the registered office and the corporate office at “Bagmane Laurel”, Bagmane Technology Park, Byrasandra Village, C V Raman Nagar, Bengaluru 560 093, India.

(b) Financial Calendar

Financial Year
1 April 2014 to 31 March 2015
Results Announced
22 May 2015
Book Closure Dates
27 August 2015 to 9 September 2015
Posting of Annual Reports
on or before 8 August 2015
Annual General Meeting
9 September 2015
Dividend Payment Date
on or before 8 October 2015

(c) Listing

Equity shares of the Company are listed and traded on the following Stock Exchanges:

Exchange	Address	Scrip Code
Bombay Stock Exchange Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. Telephone: 022-22721233/34, Fax No.: 022-22721062	526299
The National Stock Exchange of India Limited	Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (E) Mumbai - 400 051. Telephone: 022-26598100-8114. Fax Nos. 022-26598237-38	MPHASIS
MCX Stock Exchange Limited*	Vibgyor Towers, 4th floor, Plot No.C 62, G-Block, Opp. Trident Hotel, Bandra Kurla Complex,Bandra (E), Mumbai-400 098, India. Telephone: 022-61 12 9000, Fax Nos.022-2654 4000	MPHASIS

* Traded as permitted security on the exchange

The Company has paid the listing fees for the year ending 31 March 2016.

(d) Dematerialization of Equity Shares

The Equity Shares of the Company are admitted in the following depositories of the country under the International Securities Identification Number (ISIN) INE356A01018. This number is required to be quoted in each transaction relating to the dematerialized equity shares of the Company.

Name of the Depository	Address
National Securities Depository Limited	Trade World, A Wing, 4th & 5th Floors, Kamala Mills Compound, Senapathi Bapat Marg, Lower Parel, Mumbai - 400 013.
Central Depository Services (India) Limited	Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai - 400 001

The Securities & Exchange Board of India has specified that the shares of the Company would be traded only in demat form effective 29 November 1999. Considering the benefits embedded in holding the shares in electronic form, it is recommended that the shares be held in the dematerialized form. As on 31 March 2015, 99.19% shareholders held 99.93% of shares in demat form.

Corporate Governance

(e) Corporate Identity Number

The Corporate Identity Number (CIN), allotted by the Ministry of Corporate Affairs, Government of India, is L30007KA1992PLC025294 and the Company's Registration Number is 25294.

The Company's Master Data and details of the compliance filings by the Company with the Ministry of Corporate Affairs, Government of India, may be viewed by the members and other stakeholders at [www.mca.gov.in\(MCA21eServices\)](http://www.mca.gov.in(MCA21eServices)) using the above mentioned CIN.

(f) Permanent Account Number

The Securities Exchange Board of India (SEBI) vide its circulars has made the Permanent Account Number (PAN) as the sole identification number for all participants transacting in the securities market, irrespective the amount of the transaction and further had directed that for securities market transactions and off market transactions involving transfer of shares of listed companies in physical form, it shall be mandatory for the transferee(s) to furnish a copy of the PAN card to the Company/RTA, as the case may be for registration of transfer of shares. SEBI has also clarified that it shall be mandatory to furnish a copy of PAN in the following cases –

1. Deletion of names of the deceased shareholder(s), where the shares are held in the name of two or more shareholders.
2. Transmission of shares to the legal heir(s), where deceased shareholder(s) was the sole holder(s) of shares.
3. Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders.

In case of mismatch in PAN card details as well as difference in maiden name and current name (in case of married women) of the investors, the PAN card as submitted by the transferee(s) can be provided by furnishing sufficient evidence in support of the identity of the transferee like passport, Voter Card ID, Driving License, Photo Identity cards issued by Statutory Bodies, Banks, Public Sector Undertakings etc.

(g) Electronic Clearing Service (ECS) Facility for Shareholders:

Advancements in the field of electronic payment systems have made facilities for faster disbursements of the dividends to the shareholders. The Reserve Bank of India's Electronic Clearing Service (ECS) facility provides an option to the shareholders to receive the dividends directly in their bank account. Under this option, the Company credits the dividend directly to the shareholders bank account under an advice to the shareholder.

The Securities Exchange Board of India (SEBI) vide its circular No.CIR/MRD/DP/10/2013 dated 21 March 2013 have advised the companies whose shares are listed on the stock exchanges to maintain requisite bank details of the shareholders in order to enable the electronic cash payment.

Some of the benefits available in an ECS facility are as follows:

- The shareholder need not visit the Bank for depositing the physical instruments
- Faster credit of the dividend to the bank account of the shareholder
- Fraudulent encashment of dividend warrants are avoided
- Postal delays and risk of loss of physical warrants are avoided
- Cost effective for the Company
- Reduction in the unclaimed dividend

The shareholders holding shares in dematerialized form are urged to verify the Bank Account Number, Bank Name and the IFSC code furnished to the depositories to ensure that the dividend payments made by the Company using the electronic payment options are credited to the correct bank account. Further, the shareholders who have not registered the electronic payment mandate details with their depositories are requested to contact their depository participant and furnish the necessary details to ensure that the funds are directly received to the bank account of shareholder.

The shareholders holding shares in physical form are urged to register their ECS and other details with the Company by filling in prescribed form. The form in addition to the ECS mandate, also contain the details for registering the e-mail ID, phone number and PAN for better services. The form may be obtained from Integrated Enterprises Services (India) Limited, the Registrar and Share Transfer Agents of the Company.

Corporate Governance

(h) Nomination by Shareholders

All individual shareholders of the Company, may at any time, nominate in the prescribed manner, an individual person to whom his/her shares shall vest in the event of his/her death. In case of joint holdings, the shareholders may jointly nominate a person to whom all the rights in their shares shall vest in the event of the death of all the joint holders.

The individual shareholders holding shares in dematerialized form can register their nominations with the respective depository participant. However, shareholders holding shares in physical form are requested to register their nominations by filling the prescribed nomination form which can be obtained from Integrated Enterprises (India) Limited, Registrar and Share Transfer Agents of the Company.

Nomination can be made in favour of Minors also. However, where the nomination is made in the name of Minor, the name of the guardian is also required to be furnished in the nomination form.

In the event of death of shareholder, a nominee within 90 days from the date of the death of the registered shareholder, can send a notice to the company accompanying death certificate of the deceased shareholder, informing that the nominee elects to be registered shareholder. Upon doing so, he/she is entitled to dividends, any other advantages which would have been entitled to, if he/she were a registered holder.

We encourage the shareholders to avail the nomination facility as it would avoid the legal hassles and costs involved in transmission of shares to legal heirs.

(i) Market Quotation

The month wise high, low and closing prices and the volume of shares of the Company traded during the year ended 31 March 2015 on The National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE) are given below:

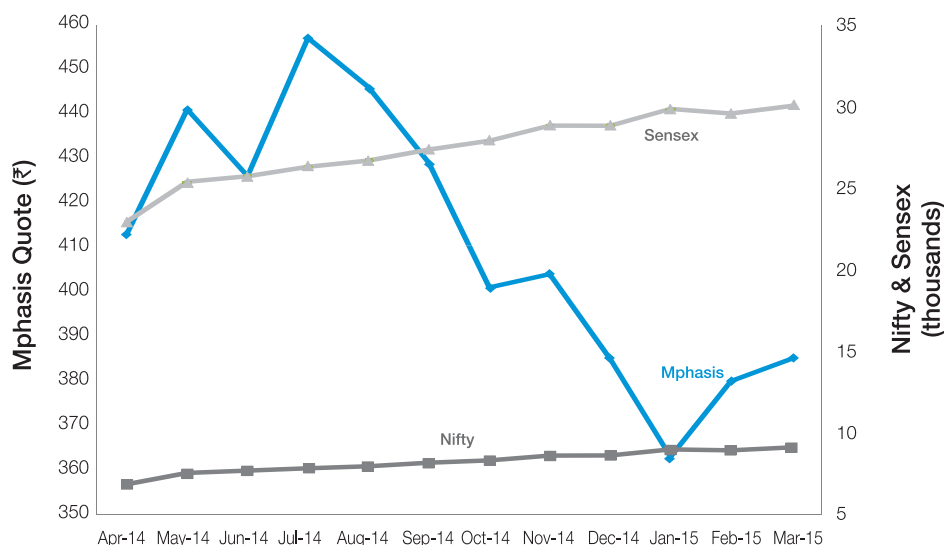
Month	NSE				BSE			
	High (₹)	Low (₹)	Close (₹)	Volume for the month (Shares)	High (₹)	Low (₹)	Close (₹)	Volume for the month (Shares)
April 2014	435	400	413	1,964,547	434	399	410	277,004
May 2014	449	372	441	2,524,102	444	376	437	295,591
June 2014	462	411	426	3,426,612	463	410	426	460,186
July 2014	477	403	457	5,406,005	477	403	457	891,290
August 2014	470	420	446	3,323,240	469	421	446	490,273
September 2014	464	427	429	2,790,215	463	427	428	440,226
October 2014	433	385	401	1,926,448	433	387	401	352,673
November 2014	418	390	404	1,124,946	418	390	405	381,169
December 2014	414	340	385	1,408,846	414	341	385	241,800
January 2015	397	358	363	1,497,809	397	359	363	176,843
February 2015	396	331	380	2,679,467	396	331	380	559,306
March 2015	421	369	385	3,408,288	421	371	382	276,705

The prices have been rounded off to the nearest rupee

Corporate Governance

Based on the closing quotation of ₹ 385.40 per share as at 31 March 2015 at the National Stock Exchange, the market capitalization of the Company is ₹ 8098.83 crores.

Performance of Mphasis Stock vis-à-vis Market Indices



Members' Profile

The shareholding pattern of the members of the Company as on 31 March 2015 is as follows:

Category	Total No. of shareholders	Total No. of shares	% to total capital	Physical Shares	Demat Shares
Promoter	3	127,106,266	60.49	-	127,106,266
Foreign Institutional Investors	115	51,152,467	24.34	3,200	51,149,267
Financial Institutions and Banks	21	7,236,751	3.44	-	7,236,751
Mutual Funds	39	3,191,898	1.52	1,600	3,190,298
Bodies Corporate	573	9,789,065	4.66	1,000	9,788,065
Non Resident Indians	695	1,713,264	0.82	-	1,713,264
Resident Indians	29,952	6,065,488	2.88	143,680	5,921,808
Trust	3	282,300	0.13	-	282,300
Clearing Members	135	181,269	0.09	-	181,269
Director	1	17,010	0.01	-	17,010
Foreign Portfolio Investor	19	3,405,045	1.62	-	3,405,045
Total	31,556	210,140,823	100.00	149,480	209,991,343

Distribution of Shareholding as on 31 March 2015 is as follows:

Range	Shareholders		Shares held	
	No. of shares	Number	Number	% to total
1-100	24,578	77.89	824,490	0.39
101-500	4,708	14.92	1,188,995	0.57
501-1000	1,096	3.47	861,891	0.41
1001-5000	811	2.57	1,825,119	0.87
5001-10000	133	0.42	967,084	0.46
10001-100000	161	0.51	5,266,158	2.50
100001 & above	69	0.22	199,207,086	94.80
Total	31,556	100.00	210,140,823	100.00

Corporate Governance

Details regarding the shares in the Unclaimed Suspense Account are as follows:

Sl. No.	Particulars	No. of shareholders	No. of Shares
1	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the beginning of the year	39	18,150
2	Number of shareholders who approached the issuer for transfer of shares from the unclaimed suspense account during the year	-	-
3	Number of shareholders to whom shares were transferred from suspense account during the year	-	-
4	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the end of the year	39	18,150

The voting rights on the shares outstanding in the suspense account as on 31 March 2015 shall remain frozen till the rightful owner of such shares claims the shares.

Address for Communication

Company Contact

Mr. A Sivaram Nair
 Executive Vice President, Company Secretary,
 General Counsel & Ethics Officer,
 Mphasis Limited,
 Bagmane World Technology Center,
 Marathalli Outer Ring Road, Doddanakhundi Village,
 Mahadevapura, Bengaluru - 560 048, India
 Phone: +91 (080)6750 5000
 Fax: +91 (080)6695 9943

RTA Contact

Integrated Enterprises (India) Limited
 (Unit: Mphasis Limited)
 30, Ramana Residency, 4th Cross
 Sampige Road, Malleswaram,
 Bengaluru - 560 003
 Phone: +91 (080) 2346 0815-818
 Fax: +91 (080) 2346 0819

For and on behalf of the Board of Directors

Santa Clara, USA
 22 May 2015

FRIEDRICH FROESCHL
 Chairman

Note:

The details of Annual General Meeting, schedule of events for voting and declaration of voting results including e-voting process and financial calendar have been updated further to the date of the 24th Annual General Meeting approved at the Board Meeting held on 29 July 2015.

Compliance Certificate on Corporate Governance

To,
The Members of Mphasis Limited

I have examined the compliance of the conditions of Corporate Governance by Mphasis Limited ('the Company') for the financial year ended on 31 March 2015, as stipulated in Clause 49 of the listing agreements of the Company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. My examination was carried out in accordance with the Guidance Note on certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by The Institute of Company Secretaries of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliances of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of Company.

In my opinion and to the best of my information and according to the explanation given to me, the representations and all material disclosures made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement. It is further stated that no investor grievance is pending for the said financial year as per the records of the Company.

I further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date : 22 May 2015
Place : Bengaluru

S. P. NAGARAJAN
COMPANY SECRETARY

ACS: 10028
CP No.: 4738

Independent Auditor's Report

To the Members of Mphasis Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Mphasis Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

Independent Auditor's Report

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31 March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015, from being appointed as a director in terms of section 164(2) of the Act;
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 23 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 35 to the financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W

per Adarsh Ranka
Partner
Membership Number: 209567

Place of Signature : Santa Clara, U.S.A
Date : 22 May 2015

Independent Auditor's Report

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: Mphasis Limited ("the Company")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The Company has a regular programme of physical verification of fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified by the management during the year and we are informed that no material discrepancies were noticed on such verification.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us and having regard to the explanation that purchases of certain fixed assets are of proprietary nature for which alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/ services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it. With regard to service tax dues, we also draw reference to note 12 to the financial statements.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Disputed amount (₹ in million)	Amount paid under protest (₹ in million)	Bank guarantee provided under protest (₹ in million)	Period to which the amount relates (financial year)	Forum where dispute is pending
Income Tax Act, 1961	Adjustment for transfer pricing and other disallowances	593.08	-	-	2010-11	In the process of filing before CIT(Appeals)
		1,134.51	500.00	-	2009-10	ITAT
		650.53	310.00	-	2008-09	ITAT
		578.47	387.02	-	2007-08	ITAT
		841.69	356.93	-	2006-07	ITAT
		245.93	-	-	2005-06	ITAT
		338.72	123.76	-	2004-05	ITAT
406.56	212.20	-	2003-04	ITAT		
Income Tax Act, 1961	Non-deduction of TDS	5,363.73	366.96	4,841.14	2005-06 to 2011-12	ITAT
Income Tax Act, 1961	Disallowances under section 10A	1.56	-	-	2008-09	CIT(Appeals)
		15.49	-	-	2007-08	ITAT
		13.37	6.50	-	2005-06	Supreme court
		103.22	10.00	-	2001-02	Supreme court
Finance Act, 1994	Service tax	21.92	7.30	-	2005-2007	CESTAT, Karnataka
UP VAT Act, 2008	VAT	1.00	1.00	-	2009-2011	Joint Commissioner of Commercial Tax (Appeals)

Independent Auditor's Report

- (d) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial period.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) We report that during the year under audit the Company has completed the ongoing investigation in case of infrastructure services and ATM businesses in India initiated in the previous year and noted certain frauds perpetrated by certain employees in earlier years relating to alliance of certain employees for attempt to change signatories, undisclosed conflict of interest, misrepresentation of facts and related other matters in awarding certain contracts/ settlement of balances pertaining to the aforesaid businesses. The concerned employees have been separated/terminated and the management has concluded the investigation. We are informed by the management that considering the nature of the matter, the financial impact is not ascertainable; however, there are no pending financial implications as of March 31, 2015.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W

per Adarsh Ranka
Partner
Membership Number: 209567

Place of Signature : Santa Clara, U.S.A
Date : 22 May 2015

Balance Sheet as at 31 March 2015

(₹ millions)

	Notes	31 March 2015	31 March 2014
Equity and liabilities			
Shareholders' funds			
Share capital	3	2,101.48	2,101.42
Reserves and surplus	4	38,393.57	36,446.30
		40,495.05	38,547.72
Non-current liabilities			
Other long-term liabilities	7	26.04	61.22
Long-term provisions	8	535.35	40.54
		561.39	101.76
Current liabilities			
Short-term borrowings	5	1,250.00	-
Trade payables	6	3,166.11	3,450.60
Other current liabilities	7	1,813.29	1,999.39
Short-term provisions	8	4,492.98	2,802.83
		10,722.38	8,252.82
TOTAL		51,778.82	46,902.30
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	565.46	637.13
Intangible assets	9	76.17	120.37
Capital work-in-progress		-	1.17
Intangible assets under development		10.48	2.88
Non-current investments	10	15,408.58	18,319.21
Deferred tax assets (net)	11	601.61	648.31
Long-term loans and advances	12	5,871.96	5,214.21
Trade receivables	15	53.82	97.80
Other non-current assets	13	1,051.60	323.15
		23,639.68	25,364.23
Current assets			
Current investments	14	7,554.74	8,634.97
Trade receivables	15	4,774.30	5,015.95
Cash and bank balances	16	10,533.63	2,733.93
Short-term loans and advances	12	2,634.94	2,542.00
Other current assets	13	2,641.53	2,611.22
		28,139.14	21,538.07
TOTAL		51,778.82	46,902.30

Summary of significant accounting policies.
 The accompanying notes are an integral part of the financial statements.

1

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP

Firm registration number: 101049W

Chartered Accountants

per Adarsh Ranka

Partner

Membership No. 209567

Santa Clara, U.S.A.
 22 May 2015

For and on behalf of the Board of Directors

Balu Ganesh Ayyar

Chief Executive Officer

V. Suryanarayanan

Executive Vice President &
 Chief Financial Officer

Santa Clara, U.S.A.
 22 May 2015

Narayanan Kumar

Director

A. Sivaram Nair

Executive Vice President, Company Secretary
 General Counsel & Ethics Officer

Statement of Profit and Loss for the year ended 31 March 2015

(₹ millions)

	Notes	Year ended 31 March 2015	Five months ended 31 March 2014
Income			
Revenue from operations	17	30,264.46	13,289.66
Other income	18	1,621.41	462.14
Total revenue (I)		31,885.87	13,751.80
Expenses			
Employee benefits expense	19	14,557.89	6,152.62
Finance costs	20	59.21	4.24
Depreciation and amortization expense	9	331.21	194.40
Other expenses	21	9,620.95	4,262.31
Total expenses (II)		24,569.26	10,613.57
Profit before tax and exceptional item (III) [(I)-(II)]		7,316.61	3,138.23
Exceptional item (net of tax) (IV)			
Expected loss on proposed sale of a business unit [refer note 38]		-	64.41
Profit before tax after exceptional item (III)-(IV)		7,316.61	3,073.82
Tax expenses (refer note 40)			
Current tax		1,722.41	770.26
Deferred tax charge		63.90	72.74
Total tax expenses		1,786.31	843.00
Profit after tax for the year / period before exceptional item		5,530.30	2,295.23
Profit after tax for the year / period after exceptional item		5,530.30	2,230.82
Earnings per equity share before exceptional item			
[nominal value of shares ₹ 10 (31 March 2014 : ₹ 10)]	30		
Basic (₹)		26.32	10.92
Diluted (₹)		26.28	10.91
Earnings per equity share after exceptional item			
[nominal value of shares ₹ 10 (31 March 2014 : ₹ 10)]	30		
Basic (₹)		26.32	10.62
Diluted (₹)		26.28	10.60

Summary of significant accounting policies.

1

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP

Firm registration number: 101049W

Chartered Accountants

per Adarsh Ranka
Partner

Membership No. 209567

For and on behalf of the Board of Directors
Balu Ganesh Ayyar
Chief Executive Officer
Narayanan Kumar
Director
V. Suryanarayanan
Executive Vice President &
Chief Financial Officer
A. Sivaram Nair
Executive Vice President, Company Secretary
General Counsel & Ethics Officer

Santa Clara, U.S.A.

22 May 2015

Santa Clara, U.S.A.

22 May 2015

Notes to the Financial Statements for the year ended 31 March 2015

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements of Mphasis Limited ("the Company") have been prepared and presented under the historical cost convention on the accrual basis of accounting, unless stated otherwise and comply in all material aspects with the Accounting Standards ('AS') notified under section 133 of the Companies Act, 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India. The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous period except for depreciation and amortization as described in the accounting policy on depreciation and amortization (refer note 9.1).

Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses for the year / period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future years.

Revenue recognition

The Company derives its revenues primarily from software services & projects, call centre & business process outsourcing operations, infrastructure outsourcing services, licensing arrangement, application services and trading of goods.

Revenues from software services & projects comprise income from time-and-material and fixed price contracts. Revenue from time and material contracts is recognized when the services are rendered in accordance with the terms of contracts with clients. Revenue from fixed price contracts is recognized using the percentage-of-completion method, calculated as the proportion of the cost of effort incurred up to the reporting date to estimated cost of total effort.

Revenues from call centre & business process outsourcing operations arise from both time-based and unit-priced client contracts. Such revenue is recognized when the services are rendered in accordance with the terms of the contracts with clients.

Revenues from infrastructure outsourcing services arise from time based, unit-priced and fixed price contracts. Revenue from time based and unit-priced is recognized when the services are rendered in accordance with the terms of the contracts with clients. Revenue from fixed price contracts is recognized using the percentage-of-completion method, calculated as the proportion of the cost of effort incurred up to the reporting date to estimated cost of total effort.

Revenue from licensing arrangements is recognized on transfer of the title in user licenses, except those contracts where transfer of title is dependent upon rendering of significant implementation services by the Company, in which case revenue is recognized over the implementation period in accordance with the specific terms of the contracts with clients.

Maintenance revenue is recognized ratably over the period of underlying maintenance agreements.

Revenue from sale of goods is recognized on transfer of significant risks and rewards in accordance with the terms of contract. Revenue is shown as net of sales tax, value added tax and applicable discounts.

Provisions for estimated losses on incomplete contracts are recorded in the period in which such losses become probable based on the current contract estimates. 'Unbilled revenue' included in the current assets represent revenues in excess of amounts billed to clients as at the balance sheet date. 'Unearned revenue' included in the current liabilities represent billings in excess of revenues recognized.

Advances received for services are reported as liabilities until all conditions for revenue recognition are met.

Interest income is recognized using the time-proportion method, based on underlying interest rates.

Dividend income is recognized when the right to receive the dividend is established.

Fixed assets and capital work-in-progress

Fixed assets are stated at the cost of acquisition or construction less accumulated depreciation and write down for impairment, if any. Direct costs are capitalised until the assets are ready to be put to use. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use, are capitalised. Fixed assets purchased in foreign currency are recorded at cost, based on the exchange rate on the date of purchase.

Notes to the Financial Statements for the year ended 31 March 2015

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts are charged to the statement of profit and loss for the period during which such expenses are incurred.

Acquired intangible assets are capitalised at the acquisition price. Internally generated intangible assets are stated at cost that can be measured reliably during the development phase and capitalised when it is probable that future economic benefits that are attributable to the asset will flow to the Company.

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalised at the fair value of the asset or the present value of the minimum lease payments at the inception of the lease, whichever is lower.

Cost of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.

Depreciation and amortization

Pursuant to the notification of Schedule II of the Companies Act, 2013 by the Ministry of Corporate Affairs effective 01 April 2014, the management has internally reassessed and changed, wherever necessary the useful lives to compute depreciation, to conform to the requirements of the Companies Act, 2013.

The comparison of useful lives is as follows:

(In years)

Asset	Useful life as per Companies Act, 2013	Revised useful life
Computer equipment	3	3
Furniture and Fixtures	10	5
Lease hold Improvements	10	10 or remaining primary lease term whichever is less
Office equipment	5	5
Plant and Machinery	15	7
Server and Networking equipments	6	6
Purchased software / Internally developed for self consumption	As per AS-26	Useful life of the asset
Internally developed software for sale Vehicles	As per AS-26	Useful life of the asset
Vehicles	8	5

In respect of plant and machinery, furniture and fixtures and vehicles, the management basis internal assessment of usage pattern believes that the useful lives as mentioned above best represent the period over which management expects to use these assets. Hence the useful lives in respect of these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Project specific assets are depreciated over the period of contract or useful life of the asset, whichever is lower.

Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases.

Where the Company is lessee, operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company is lessor, lease income is recognized in the statement of profit and loss on straight line basis over the lease term. Costs are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc, are recognized immediately in the statement of profit and loss.

Notes to the Financial Statements for the year ended 31 March 2015

Profit or loss on sale and lease back arrangements resulting in operating leases are recognized immediately in case the transaction is established at fair value, else, the excess over the fair value is deferred and amortized over the period for which the asset is expected to be used. If the sale price is below fair value, any profit or loss is recognized immediately in the statement of profit and loss.

Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the year they occur.

Impairment of tangible and intangible assets

The Company assesses at each balance sheet date whether there is any indication that a fixed asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using the pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the assets. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis.

Long-term investments are carried at cost. Provision for diminution in the value of investments is made if the impairment is not temporary in nature.

Employee benefits

Gratuity which is a defined benefit is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Contributions payable to recognized provident funds, which are defined contribution schemes, are charged to the statement of profit and loss. The Company's liability is limited to contribution made to the fund.

Mphasis Limited has established a Provident Fund Trust to which contributions towards provident fund are made each month. The Provident Fund Trust guarantees a specified rate of return on such contributions on a periodical basis. The Company will meet the shortfall in the returns, if any, based on actuarial valuation, as per Projected Unit Credit Method, as at the date of Balance Sheet [refer note 32 (b)].

Stock-based compensation (Equity settled)

Measurement and disclosure of the employee share-based payment plans is done in accordance with regulations issued by the Securities Exchange Board of India ('SEBI') from time to time and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method except for RSU plan 2010, RSU plan 2011, RSU plan 2014 and ESOP 2012 wherein compensation cost is measured based on fair valuation. Compensation expense is amortized over the vesting period of the option on a straight line basis.

Notes to the Financial Statements for the year ended 31 March 2015

Foreign currency

Foreign exchange transactions are recorded at the rates of exchange prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year / period are recognized in the statement of profit and loss of that year / period.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the exchange rates on that date. The resultant exchange differences are recognized in the statement of profit and loss. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself.

Forward contracts are entered into to hedge the foreign currency risk of the underlying outstanding at the balance sheet date and also to hedge the foreign currency risk of firm commitment or highly probable forecast transactions. The premium or discount on forward contracts that are entered into, to hedge the foreign currency risk of the underlying outstanding at the balance sheet date arising at the inception of each contract is amortised as income or expense over the life of the contract. Any profit or loss arising on the cancellation or renewal of forward contracts is recognized as income or as expense for the year / period.

In relation to the forward contracts entered into, to hedge the foreign currency risk of the underlying outstanding at the balance sheet date, the exchange difference is calculated and recorded in accordance with paragraphs 36 and 37 of AS 11. The exchange difference on such a forward exchange contract is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date or the settlement date where the transaction is settled during the reporting year / period, and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences are recognized in the statement of profit and loss in the reporting year / period in which the exchange rates change.

The Company has adopted the principles of AS 30 "Financial Instruments: Recognition and Measurement" in respect of its derivative financial instruments (excluding embedded derivative) that are not covered by AS 11 "The Effects of Changes in Foreign Exchange Rates" and that relate to a firm commitment or a highly probable forecast transaction. In accordance with AS 30, such derivative financial instruments, which qualify for cash flow hedge accounting and where the Company has met all the conditions of AS 30, are fair valued at the balance sheet date and the resultant gain / loss is credited / debited to the hedging reserve included in the Reserves and Surplus. This gain / loss is recorded in the statement of profit and loss when the underlying transactions affect earnings. Other derivative instruments that relate to a firm commitment or a highly probable forecast transaction and that do not qualify for hedge accounting, have been recorded at fair value at the reporting date and the resultant gain / loss has been credited / debited to the statement of profit and loss for the year / period.

Income taxes

The current charge for income taxes is calculated in accordance with the relevant tax regulations. Minimum Alternative Tax ('MAT') paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustments of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax after the tax holiday period. MAT credit entitlement can be carried forward and utilised for a period as specified in the tax laws of the respective countries.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between taxable profits and accounting profits. Deferred tax in respect of timing differences which originate during the tax holiday period but reverse after the tax holiday period, is recognized in the period in which the timing differences originate. For this purpose the timing difference which originates first is considered to reverse first. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of change in tax rates is recognized in the period that includes the enactment date. Deferred tax assets on timing differences are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred

Notes to the Financial Statements for the year ended 31 March 2015

tax assets can be realised. However, deferred tax assets on the timing differences when unabsorbed depreciation and losses carried forward exist, are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each balance sheet date.

Provisions and contingent liabilities

A provision is recognized when an enterprise has a present obligation as result of past event and it is probable that an outflow of resources will be required to settle a reliably estimable obligation. Provisions are not discounted to present value and are determined based on best estimate required to settle each obligation at each balance sheet date.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting obligations under a contract exceed the economic benefits expected to be received, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the year / period by the weighted average number of equity shares outstanding during the year / period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The diluted potential equity shares have been arrived at, assuming that the proceeds receivable were based on shares having been issued at the average market value of the outstanding shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that would, if issued, either reduce future earnings per share or increase loss per share, are included.

Inventories

Inventory comprises of traded goods and is measured at lower of cost and net realisable value. Cost includes direct materials and related direct expenses. Cost is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost necessary to make the sale.

Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

2. DESCRIPTION OF THE COMPANY

Mphasis Limited ('The Company' or 'Mphasis') is a global, multicultural organisation headquartered in Bengaluru, India, specialises in providing a suite of application development and maintenance services, infrastructure outsourcing services and business process outsourcing solutions to clients around the world.

The Company has its Registered Office in Bengaluru. The Company is listed on the principal stock exchanges of India.

Notes to the Financial Statements for the year ended 31 March 2015

(₹ millions)

	31 March 2015	31 March 2014
3. SHARE CAPITAL		
Authorised shares		
245,000,000 (31 March 2014: 245,000,000) equity shares of ₹ 10 each	2,450.00	2,450.00
Issued, subscribed and fully paid-up shares		
210,140,823 (31 March 2014: 210,134,821) equity shares of ₹ 10 each fully paid-up	2,101.41	2,101.35
Add: Amount originally paid-up on forfeited shares	0.07	0.07
Total issued, subscribed and fully paid-up share capital	2,101.48	2,101.42

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	31 March 2015		31 March 2014	
	Number	₹ millions	Number	₹ millions
At the beginning of the year	210,134,821	2,101.35	210,127,099	2,101.27
Issued during the year / period – Employee stock option	6,002	0.06	7,722	0.08
Outstanding at the end of the year	210,140,823	2,101.41	210,134,821	2,101.35

(b) Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2015, the amount of per share dividend recognized as distributions to equity shareholders is ₹ 16.00 (five months ended 31 March 2014: ₹ 7.00).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

	31 March 2015	31 March 2014
EDS Asia Pacific Holdings (Subsidiary of the ultimate holding company)	830.02	830.02
83,002,201 (31 March 2014: 83,002,201) equity shares of ₹ 10 each fully paid		
EDS World Corporation (Far East) LLC (Subsidiary of the ultimate holding company)	441.04	441.04
44,104,064 (31 March 2014: 44,104,064) equity shares of ₹ 10 each fully paid		
EDS World Corporation (Netherlands) LLC (Subsidiary of ultimate holding company)	0.00	0.00
1 (31 March 2014:1) equity shares of ₹ 10 each fully paid		

The ultimate holding company is Hewlett-Packard Company, USA.

(d) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	31 March 2015	31 March 2014
Equity shares allotted as fully paid bonus shares by capitalization of securities premium/ statement of profit and loss	1,400	4,600

In addition, the Company has issued total 214,710 shares (31 March 2014: 559,400) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

Notes to the Financial Statements for the year ended 31 March 2015

(e) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	31 March 2015		31 March 2014	
	Number	% of holding	Number	% of holding
EDS Asia Pacific Holdings	83,002,201	39.50	83,002,201	39.50
EDS World Corporation (Far East) LLC	44,104,064	20.99	44,104,064	20.99
Aberdeen Global Indian Equity (Mauritius) Limited	17,765,301	8.45	18,500,000	8.80

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(f) Shares reserved for issue under options

For details of shares reserved for issue under the ESOP plan of the Company, refer note 4.

(₹ millions)

	31 March 2015	31 March 2014
4. RESERVES & SURPLUS		
Capital reserve		
Balance as per last financial statements	265.16	265.16
Closing Balance	265.16	265.16
Securities premium account		
Balance as per last financial statements	1,556.08	1,555.22
Add: Premium on issue of shares	0.60	0.75
Add: Transferred from stock options outstanding	0.16	0.11
Closing balance	1,556.84	1,556.08
Employee stock options outstanding (refer note 41)		
Balance as per last financial statements	83.53	82.18
Add: Expense for the year / period including cross charge to subsidiaries	35.29	2.51
Less: Transferred to securities premium on exercise of options	0.16	0.11
Less: Exercise of options	11.91	1.05
Less: Reversal on forfeiture / lapse of options granted	0.01	-
Closing balance	106.74	83.53
General reserve		
Balance as per last financial statements	4,924.99	4,701.91
Add: Amount transferred from surplus balance in the statement of profit and loss	553.03	223.08
Closing balance	5,478.02	4,924.99
Hedging reserve		
Balance as per last financial statements	(209.09)	(1,031.54)
Add / (Less): Transaction during the year / period	547.28	465.57
Add / (Less): Transfer to revenue	(90.84)	356.88
Closing balance	247.35	(209.09)

(Contd...)

Notes to the Financial Statements for the year ended 31 March 2015

(₹ millions)

	31 March 2015	31 March 2014
4. RESERVES & SURPLUS (Contd...)		
Surplus in the statement of profit and loss		
Balance as per last financial statements	29,825.63	29,493.29
Profit for the year / period	5,530.30	2,230.82
Adjustment on account of merger of Mphasis Finsource Limited (refer note 37)	(15.77)	-
Less: Appropriations		
Final dividend for earlier years	0.15	0.37
Proposed final equity dividend [amount per share ₹ 16.00 (five months ended 31 March 2014: ₹ 7.00)]	3,362.25	1,470.94
Tax on equity dividend	684.51	250.05
Depreciation and amortization expense (refer note 9.1)	0.76	-
Reversal of provisions pertaining to earlier acquisition	-	(45.96)
Transfer to general reserve	553.03	223.08
Total appropriations	4,600.70	1,898.48
Net surplus in the statement of profit and loss	30,739.46	29,825.63
Total reserves and surplus	38,393.57	36,446.30

Employee Stock Option Plans ('ESOP') – Equity settled

All the ESOPs are in respect of the Company's shares where each stock option is equivalent to one share. In accordance with the Guidance Note on "Accounting for Employee Share-based Payments" issued by the ICAI with effect from 1 April 2005, the necessary disclosures have been made for the year ended 31 March 2015 and for the five months ended 31 March 2014 for grants outstanding on and made on or after that date for each of the plans described below (Also refer note 31).

Employees Stock Option Plan-1998 (the 1998 Plan): The Company instituted the 1998 Plan for all eligible employees in pursuance of the special resolution approved by the shareholders in the Annual General Meeting held on 31 July 1998. The 1998 Plan provides for the issuance of 3,720,000 options to eligible employees as recommended by the ESOP Committee constituted for this purpose.

In accordance with the 1998 Plan, the Committee has formulated 1998 Plan – (Version I) and 1998 Plan – (Version II) during the years 1998 –1999 and 1999 – 2000 respectively.

1998 Plan-(Version I): Each option granted under the 1998 Plan – (Version I), entitles the holder thereof with an option to apply for and be issued one equity share of the Company at an exercise price of ₹ 34.38 per share. The equity shares covered under these options vest at various dates over a period ranging from six to sixty-six months from the date of grant based on the length of service completed by the employee to the date of grant. The options are exercisable any time after their vesting period.

The movements in the options granted under the 1998 Plan – (Version I) for the year ended 31 March 2015 and for the five months ended 31 March 2014 are set out below:

	Year ended 31 March 2015		Five months ended 31 March 2014	
	No. of Options	Weighted Average Exercise Price (₹)	No. of Options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning	47,000	34.38	47,000	34.38
Granted	-	-	-	-
Forfeited	-	-	-	-
Lapsed	-	-	-	-
Exercised	-	-	-	-
Options outstanding at the end	47,000	34.38	47,000	34.38
Exercisable at the end	47,000	34.38	47,000	34.38

Notes to the Financial Statements for the year ended 31 March 2015

The weighted average share price as at the date of exercise for stock options was ₹ Nil (31 March 2014: ₹ Nil). The options outstanding as at 31 March 2015 had an exercise price of ₹ 34.38 (31 March 2014: ₹ 34.38).

1998 Plan-(Version II): Commencing January 2000, the Company decided to grant all future options at the market price immediately preceding the date of grant. The equity shares covered under these options vest at various dates over a period ranging from twelve to forty-eight months from the date of grant based on the grade of the employee. However, in the case of options granted to the then Managing Director or Chief Executive Officer, the vesting period of the options, subject to minimum period of one year from the date of grant, is determined by the ESOP Committee and approved by the Board. The options are to be exercised within a period of ten years from their date of vesting.

The movements in the options granted under the 1998 Plan - (Version II) for the year ended 31 March 2015 and for the five months ended 31 March 2014 are set out below:

	Year ended 31 March 2015		Five months ended 31 March 2014	
	No. of Options	Weighted Average Exercise Price (₹)	No. of Options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning	213,632	90.18	311,688	84.70
Granted	-	-	-	-
Forfeited	-	-	-	-
Lapsed	96,100	66.95	93,648	71.50
Exercised	1,300	84.35	4,408	99.54
Options outstanding at the end	116,232	109.46	213,632	90.18
Exercisable at the end	116,232	109.46	213,632	90.18

The weighted average share price as at the date of exercise for stock options was ₹ 422.21 (31 March 2014: ₹ 386.35). The options outstanding as at 31 March 2015 had an exercise price ranging from ₹ 23.21 to ₹ 130.60 (31 March 2014: ₹ 23.21 to ₹ 130.60) and weighted average remaining contractual life of 1.23 years (31 March 2014: 1.51 years).

Employees Stock Option Plan-2004 (the 2004 Plan): At the Extraordinary General Meeting on 12 May 2004, the shareholders approved a new Employee Stock Option Plan. The 2004 Plan provides for the issuance of equity shares to employees and directors of the Company and its subsidiaries and for the exchange of outstanding stock options of Msource Corporation as on 20 September 2004, pursuant to its merger with Mphasis Corporation and the assumption of the Msource stock options by the Company.

The 2004 Plan is administered through the ESOP Committee appointed by the Board and comprises two programs. Under Program A, outstanding options of Msource Corporation were exchanged for options in the Company on the agreed exchange ratio of 0.14028 stock options with underlying equity shares of the Company for each stock option in the Msource 2001 plan, the exercise price being the equivalent amount payable by the option holder under the Msource 2001 plan. The equity shares underlying these options vest over a period up to forty-eight months from the date of assumption by the Company and shall be exercisable within a period of ten years from the original date of grant under the Msource 2001 plan.

Options under Program B represent fresh grants and shall be issued to employees at an exercise price which will be equal to the fair value of the underlying shares at the date of grant. The equity shares covered under these options vest over a period ranging from twelve to forty-eight months from the date of grant. The exercise period is two years from the date of vesting.

The movements in the options under the 2004 Plan for the year ended 31 March 2015 and for the five months ended 31 March 2014 are set out below:

	Year ended 31 March 2015		Five months ended 31 March 2014	
	No. of Options	Weighted Average Exercise Price (₹)	No. of Options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning	7,642	118.24	10,956	117.98
Granted	-	-	-	-
Forfeited	-	-	-	-
Lapsed	350	117.36	-	-
Exercised	4,702	117.36	3,314	117.36
Options outstanding at the end	2,590	119.96	7,642	118.24
Exercisable at the end	2,590	119.96	7,642	118.24

Notes to the Financial Statements for the year ended 31 March 2015

The weighted average share price as at the date of exercise for stock options was ₹ 435.34 (31 March 2014: ₹ 380.75). The options outstanding as at 31 March 2015 had an exercise price ranging from ₹ 50.34 to ₹ 148.07 (31 March 2014: ₹ 50.34 to ₹ 148.07) and weighted average remaining contractual life of 2.02 years (31 March 2014: 2.75 years).

Employees Stock Option Plan-2012 (the 2012 Plan) : Effective 14 March 2012, the Company instituted the 2012 Plan. The Board and the shareholders of the Company approved 2012 plan on 20 January 2012. The 2012 plan provides for the issue of restricted options to certain employees of the Company and its subsidiaries.

The 2012 plan is administered by the Mphasis Employees Benefit Trust which is created for this purpose. Each option, granted under this plan, entitles the holder thereof with an option to apply for and be issued one equity share of the Company at an exercise price of ₹ 410.25 per share. The equity shares covered under these options vest over a period ranging from twelve to twenty-four months from the date of grant. The exercise period is three years from the date of vesting.

The movements in the options under the 2012 plan for the year ended 31 March 2015 and for the five months ended 31 March 2014 are set out below:

	Year ended 31 March 2015		Five months ended 31 March 2014	
	No. of Options	Weighted Average Exercise Price (₹)	No. of Options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning	436,600	410.25	456,800	410.25
Granted	-	-	-	-
Forfeited	-	-	15,050	410.25
Lapsed	62,000	410.25	5,150	410.25
Exercised	-	-	-	-
Options outstanding at the end	374,600	410.25	436,600	410.25
Exercisable at the end	374,600	410.25	436,600	410.25

The weighted average share price as at the date of exercise of stock options was ₹ Nil (31 March 2014: ₹ Nil). The options outstanding as at 31 March 2015 had an exercise price ₹ 410.25 (31 March 2014: ₹ 410.25) and weighted average remaining contractual life of 1.35 years (31 March 2014: 2.36 years).

Total Employee Compensation Cost pertaining to 2012 plan during the year is ₹ (4.05) millions (five months ended 31 March 2014: ₹ 1.48 millions), net off cross charge to subsidiaries.

Restricted Stock Units

EDS, the holding Company, had issued Restricted Stock Units ('RSU') to certain employees of the Company. These have been replaced by RSUs of HP, pursuant to the merger. Subsequent to the merger, HP had also issued RSUs to certain employees of the Company. However, the cost has been borne by HP and accordingly this has not been accounted as an expense or income by the Company.

Restricted Stock Unit Plan-2010 ("RSU Plan-2010")

Effective 1 August 2010, the Company instituted the Restricted Stock Unit Plan-2010. The Board and the shareholders of the Company approved RSU Plan-2010 on 29 June 2010 and 17 August 2010 respectively. The RSU Plan-2010 provides for the issue of restricted options to certain employees of the Company and its subsidiaries.

The RSU Plan-2010 is administered by the Mphasis Employees Benefit Trust which was created for this purpose. Each option, granted under the RSU Plan-2010, entitles the holder thereof with an option to apply for and be issued one equity share of the Company at an exercise price of ₹ 10.00 per share. The equity shares covered under these options vest over a period ranging from twelve to twenty-four months from the date of grant. The exercise period is one to three years from the date of vesting.

Notes to the Financial Statements for the year ended 31 March 2015

The movements in the options under the RSU Plan -2010 for the year ended 31 March 2015 and for the five months ended 31 March 2014 are set out below:

	Year ended 31 March 2015		Five months ended 31 March 2014	
	No. of Options	Weighted Average Exercise Price (₹)	No. of Options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning	37,300	10.00	39,650	10.00
Granted	-	-	-	-
Forfeited	-	-	-	-
Lapsed	5,575	10.00	-	-
Exercised	26,675	10.00	2,350	10.00
Options outstanding at the end	5,050	10.00	37,300	10.00
Exercisable at the end	5,050	10.00	37,300	10.00

The weighted average share price as at the date of exercise of stock options was ₹ 408.99 (31 March 2014: ₹ 428.33). The options outstanding as at 31 March 2015 had an exercise price of ₹ 10.00 (31 March 2014: ₹ 10.00) and the weighted average remaining contractual life of 0.92 years (31 March 2014: 1.33 years).

Total Employee Compensation Cost pertaining to RSU Plan-2010 during the year ended 31 March 2015 is ₹ (0.39) millions (Five months ended 31 March 2014: ₹ Nil), net of cross charge to subsidiary companies.

Restricted Stock Unit Plan-2014 ("RSU Plan-2014")

Effective 20 October 2014, the Company instituted the Restricted Stock Unit Plan-2014. The Board and the shareholders of the Company approved RSU Plan-2014 on 14 May 2014. The RSU Plan-2014 provides for the issue of restricted options to certain employees of the Company and its subsidiaries.

The RSU Plan-2014 is administered by the Mphasis Employees Benefit Trust. Each option, granted under the RSU Plan-2014, entitles the holder thereof with an option to apply for and be issued one equity share of the Company at an exercise price of ₹ 10.00 per share. The equity shares covered under these options vest over a period ranging from twelve to thirty-six months from the date of grant. The exercise period is one to three years from the date of vesting.

The movement under RSU Plan-2014 for the year ended 31 March 2015 are set-out below :

	Year ended 31 March 2015	
	No. of Options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning	-	-
Granted	470,000	10.00
Forfeited	24,250	10.00
Lapsed	-	-
Exercised	-	-
Options outstanding at the end	445,750	10.00
Exercisable at the end	-	-

The options outstanding as at 31 March 2015 had an exercise price of ₹ 10.00 and the weighted average remaining contractual life of 4.57 years.

Notes to the Financial Statements for the year ended 31 March 2015

The weighted average fair value of stock options granted during the year was ₹ 362.55. The Black-Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	Year ended 31 March 2015
Weighted average share price on the date of grant (₹)	399.15
Exercise Price (₹)	10.00
Expected Volatility*	29.51%
Life of the options granted in years	1 -3 Years
Average risk-free interest rate	7.96%
Expected dividend rate	3.70%

* The expected volatility was determined based on historical volatility data.

Total Employee Compensation Cost pertaining to RSU Plan-2014 during the year is ₹ 29.62 millions, net of cross charge to subsidiary companies.

The Company has advanced an amount of ₹ 127.71 millions (31 March 2014: ₹ 139.88 millions) to the Mphasis Employees Benefit Trust. The shares held by Mphasis Employee Benefit Trust will be used for allotment of shares to employees against exercise of outstanding RSU 2010 and ESOP 2012 plan options and in case of any short fall on the date of exercise, will be allotted by the Company.

(₹ millions)

	31 March 2015	31 March 2014
5. SHORT TERM BORROWING		
Pre-shipment loan in foreign currency	1,250.00	-
	1,250.00	-

Pre-shipment loan carries interest @ 3 month LIBOR plus 0.45% p.a. The loan is repayable after 3 months from date of loan. The loan is unsecured.

	Non Current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
6. TRADE PAYABLES				
Trade payables	-	-	3,166.11	3,450.60
	-	-	3,166.11	3,450.60

The Company has amounts due to Micro and Small Enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31 March 2015 and 31 March 2014. The details in respect of such dues are as follows:

Particulars	31 March 2015	31 March 2014
The principal amount remaining unpaid to any supplier.	11.49	13.99
The amount of interest due and remaining unpaid to any supplier.	12.16	9.09
The amount of interest paid by the Company along with the amount of the payments made to the supplier beyond the appointed day.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year / period).	0.74	0.36
The amount of interest accrued and remaining unpaid at the end of the year.	Nil	Nil
The amount of further interest remaining due and payable for the earlier years.	9.09	7.71

Notes to the Financial Statements for the year ended 31 March 2015

(₹ millions)

	Non Current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
7. OTHER LIABILITIES				
Advances from clients	-	-	1.72	13.79
Unearned revenue	-	-	8.98	67.44
Rent equalisation reserve	-	-	-	8.66
Statutory dues	-	-	153.89	212.41
Capital creditors	-	-	25.48	71.18
Other payables	10.39	10.46	68.61	162.46
Dues to subsidiaries	-	-	263.85	145.28
Salary related costs	15.65	50.76	1,283.79	1,310.41
Unpaid dividend *	-	-	6.97	7.76
	26.04	61.22	1,813.29	1,999.39

* Investor Protection and Education Fund shall be credited for unclaimed dividend amounts when due.

	Non Current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
8. PROVISIONS				
Provision for employee benefits				
Provision for gratuity [refer note 32(a)]	535.35	-	50.00	439.29
Provision for employee compensated absences	-	-	138.28	146.35
	535.35	-	188.28	585.64
Other provisions				
Proposed equity dividend	-	-	3,362.25	1,470.94
Provision for tax on proposed equity dividend	-	-	684.49	249.99
Provision for taxation	-	-	247.49	248.48
Provision for mark to market loss on derivative contracts	-	40.54	10.47	247.78
	-	40.54	4,304.70	2,217.19
	535.35	40.54	4,492.98	2,802.83

Notes to the Financial Statements for the year ended 31 March 2015

9. TANGIBLE AND INTANGIBLE ASSETS

(₹ millions)

	Tangible Assets							Intangible Assets			Total of Intangible Assets		
	Freehold Land	Plant and equipment	Computer equipment	Servers and Networks	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvements	Total of Tangible Assets	Computer Software		Purchase goodwill	
Cost													
At 1 November 2013	27.38	1,030.31	1,660.95	-	1,057.18	467.96	112.46	1,270.21	5,626.45	293.14	30.01	323.15	5,949.60
Additions	-	64.94	87.70	-	6.96	6.63	15.93	28.59	210.75	47.40	-	47.40	258.15
Disposals	-	(14.38)	(30.75)	-	(117.98)	(6.43)	(4.94)	(10.63)	(185.11)	-	-	-	(185.11)
At 31 March 2014	27.38	1,080.87	1,717.90	-	946.16	468.16	123.45	1,288.17	5,652.09	340.54	30.01	370.55	6,022.64
Additions	-	12.15	96.56	50.36	19.14	4.91	33.09	14.06	230.27	28.05	-	28.05	258.32
Disposals	(27.38)	(121.19)	(58.86)	(59.12)	(49.30)	(37.25)	(33.91)	(118.10)	(505.11)	(7.85)	-	(7.85)	(512.96)
Reclassification	-	(217.48)	(430.92)	659.75	(11.35)	-	-	-	-	-	-	-	-
Acquired on merger	-	62.32	7.05	-	2.43	2.48	-	7.07	81.35	43.78	-	43.78	125.13
At 31 March 2015	-	816.67	1,331.73	650.99	907.08	438.30	122.63	1,191.20	5,458.60	404.52	30.01	434.53	5,893.13
Depreciation													
At 1 November 2013	-	871.59	1,588.94	-	1,010.35	428.63	43.08	1,088.73	5,031.32	189.61	30.01	219.62	5,250.94
Charge for the period	-	40.58	25.87	-	25.31	12.00	9.65	50.43	163.84	30.56	-	30.56	194.40
Disposals	-	(14.30)	(30.48)	-	(117.73)	(6.38)	(1.03)	(10.28)	(180.20)	-	-	-	(180.20)
At 31 March 2014	-	897.87	1,584.33	-	917.93	434.25	51.70	1,128.88	5,014.96	220.17	30.01	250.18	5,265.14
Charge for the year	-	18.01	59.79	42.10	10.26	15.14	24.43	89.23	258.96	72.25	-	72.25	331.21
Disposals	-	(120.96)	(57.66)	(53.98)	(49.08)	(37.12)	(20.00)	(118.06)	(456.86)	(7.85)	-	(7.85)	(464.71)
Reclassification	-	(104.90)	(383.34)	506.34	(8.10)	-	-	-	-	-	-	-	-
Depreciation charged to reserves	-	-	0.76	-	-	-	-	-	0.76	-	-	-	0.76
Acquired on merger	-	57.69	5.97	-	2.22	2.44	-	7.00	75.32	43.78	-	43.78	119.10
At 31 March 2015	-	747.71	1,199.85	494.46	873.23	414.71	56.13	1,107.05	4,893.14	328.35	30.01	358.36	5,251.50
Net block													
At 31 March 2014	27.38	183.00	133.57	-	28.23	33.91	71.75	159.29	637.13	120.37	-	120.37	757.50
At 31 March 2015	-	68.96	131.88	156.53	33.85	23.59	66.50	84.15	565.46	76.17	-	76.17	641.63

Notes to the Financial Statements for the year ended 31 March 2015

9.1 Pursuant to the notification of Schedule II of the Companies Act, 2013 by the Ministry of Corporate Affairs effective 01 April 2014, the management has internally reassessed and changed, wherever necessary the useful lives to compute depreciation, to conform to the requirements of the Companies Act, 2013.

The comparison of useful lives is as follows:

(In years)

Asset	Useful life as per Companies Act, 2013	Revised useful life	Existing useful life	
			Call centre services	Other services
Computer equipment	3	3	5	2
Furniture and Fixtures	10	5	5	4
Lease hold Improvements	10	10 or remaining primary lease term whichever is less	5 or remaining primary lease term whichever is less	3 or remaining primary lease term whichever is less
Office equipment	5	5	5	3
Plant and Machinery	15	7	5	4
Server and Networking equipments	6	6	5	2
Purchased software / Internally developed for self consumption	As per AS-26	Useful life of the asset	3 years or useful life, whichever is less	3 years or useful life, whichever is less
Internally developed software for sale	As per AS-26	Useful life of the asset	7 years or useful life, whichever is less	7 years or useful life, whichever is less
Vehicles	8	5	3-5	3-5

In respect of plant and machinery, furniture and fixtures and vehicles, the management basis internal assessment of usage pattern believes that the useful lives as mentioned above best represent the period over which management expects to use these assets. Hence the useful lives in respect of these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Accordingly, the carrying amount as at 01 April 2014 is being depreciated over the revised remaining useful life of the asset. Had the Standalone continued with the previously assessed useful lives, charge of depreciation for the year ended 31 March 2015 would have been higher by ₹ 52.43 millions on assets held as at 01 April 2014 and the profit before tax would have been lower by such amount.

Further, the carrying value of ₹ 0.76 millions, in case of assets with nil revised remaining useful life as at 01 April 2014 is reduced after tax adjustments from the retained earnings as at such date.

(₹ millions)

	31 March 2015	31 March 2014
10. NON-CURRENT INVESTMENTS		
Long Term-Trade (Unquoted), at cost		
In subsidiaries*		
Mphasis Corporation	3,724.45	3,724.46
3,187 (31 March 2014: 3,187) shares of common stock of US \$ 0.01 each fully paid-up		
Mphasis Australia Pty Limited	0.05	0.05
2,000 (31 March 2014: 2,000) shares of common stock of Australian \$ 1 each fully paid-up		
Mphasis Deutschland GmbH	2.52	2.52
Nominal capital 91,000 Deutsche Mark (31 March 2014: 91,000 Deutsche Mark)		
Less: Provision for diminution in value of investment	(2.52)	(2.52)
Mphasis (Shanghai) Software & Services Company Limited	105.35	105.35
100% (31 March 2014: 100%) equity interest		
Mphasis Finsource Limited (refer note 37)	-	0.50
Nil (31 March 2014: 50,000) equity shares of ₹ 10 each fully paid-up		
Mphasis Consulting Limited	685.65	685.65
7,953,393 (31 March 2014: 7,953,393) ordinary shares of £ 0.002 each fully paid-up		
Mphasis Ireland Limited	0.59	0.59
10,000 (31 March 2014: 10,000) shares of common stock of € 1 each fully paid-up		
Mphasis Belgium BVBA	0.39	0.39
62 (31 March 2014: 62) shares of common stock of € 100 each fully paid up		
Mphasis Lanka Private Limited	55.78	6.65
1,095,584 (31 March 2014: 150,000) shares of common stock of LKR 112.10 each fully paid up		
Less: Provision for diminution in value of investment (refer note 39)	(55.78)	(6.65)

(Contd...)

Notes to the Financial Statements for the year ended 31 March 2015

(₹ millions)

	31 March 2015	31 March 2014
10. NON-CURRENT INVESTMENTS (Contd.,)		
PT Mphasis Indonesia 99,000 (31 March 2014: 99,000) shares of common stock of US \$ 1 each fully paid-up	4.38	4.38
Mphasis Poland s.p.z.o.o. 200 (31 March 2014: 200) equity shares of 500 PLN each fully paid-up	2.07	2.07
In fellow subsidiaries		
Mphasis Europe BV 3,381,654 (31 March 2014: 3,381,654) shares of common stock of € 1 each fully paid-up	9,647.64	9,647.64
	14,170.57	14,171.08
Non-trade (unquoted mutual funds)		
Birla Sun Life Dynamic Bond Fund - Retail Plan 118,344,866 units at ₹ 10.4610 (31 March 2014: 118,344,866 units at ₹ 10.4610)	1,238.01	1,238.01
Kotak Bond Scheme Plan A - Dividend Nil units (31 March 2014: 34,529,446 units at ₹ 10.4627)	-	361.27
HDFC Income Fund - Dividend Nil units (31 March 2014: 85,598,006 units at ₹ 11.3091)	-	968.04
Reliance Dynamic Bond Fund Nil units (31 March 2014: 94,518,133 units at ₹ 10.3770)	-	980.81
Birla Fixed Term Plan - Series KX Nil units (31 March 2014: 20,000,000 units at ₹ 10.0000)	-	200.00
IDFC Fixed Term Plan Series 86 Nil units (31 March 2014: 20,000,000 units at ₹ 10.0000)	-	200.00
ICICI Prudential FMP Series 73 Nil units (31 March 2014: 20,000,000 units at ₹ 10.0000)	-	200.00
	1,238.01	4,148.13
	15,408.58	18,319.21
* Aggregate provision for diminution in value of investment.	58.30	9.17
	31 March 2015	31 March 2014
11. DEFERRED TAX ASSETS (NET)		
Depreciation and amortization expense: Difference between tax depreciation and depreciation / amortization as per statement of profit and loss	459.47	491.66
Provision for doubtful debts and advances	202.60	128.10
Provision for employee benefits	308.96	42.06
Deferred tax liability on rent equalisation reserve	(403.83)	(84.70)
Others	34.41	71.19
	601.61	648.31

Notes to the Financial Statements for the year ended 31 March 2015

(₹ millions)

	Non Current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
12. LOANS AND ADVANCES				
Unsecured-considered good				
Capital advances	114.05	2.00	-	-
Security deposit				
-Premises	587.41	600.81	23.57	20.45
-With government authorities	8.31	7.31	-	-
-Others	1,112.73	824.47	6.15	2.18
Loans to employees	-	-	0.16	0.15
Advance to ESOP trust (refer note 41)	-	-	127.71	139.88
Advances recoverable in cash or kind				
-Prepaid expenses	27.49	12.75	383.95	261.19
-Employee advances	-	-	49.92	38.43
-Advance to supplier / others	-	-	382.20	522.95
Balance with statutory / government authorities *	1,169.67	1,437.18	472.73	300.37
Advance income-tax (net of provision for taxation)	2,398.84	1,618.81	-	-
MAT Credit entitlement **	453.46	710.88	231.84	251.30
Recoverable from subsidiaries	-	-	956.71	960.16
Loans given to Mphasis Lanka Private Limited	-	-	-	44.94
	5,871.96	5,214.21	2,634.94	2,542.00

* Balances with statutory/government authorities include service tax input credit receivable (net) ₹ 1,640.02 millions (31 March 2014: ₹ 1,733.32 millions). Based on legal opinion obtained by the Company, service tax liability on imported services under "Import of Services Rules" have been discharged using accumulated balance available in CENVAT Credit Account for the period 01 December 2010 to 31 March 2011. Effective 1 April 2011 such position is reversed and service tax liability on select imported services under "Import of Services Rules" have been discharged in cash. Further, the Company has obtained legal opinions in support of its position on non applicability of Sec 66A of the Finance Act 1994 read with 'Import of Services Rules' on onsite services provided by foreign vendors (including group companies).

The management, per the legal opinion, is confident that the legal positions taken by the Company are tenable and defensible under law.

** net of MAT credit utilisation of ₹ 276.88 millions (31 March 2014: ₹ 217.99 millions).

	Non Current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
13. OTHER ASSETS				
Non-current bank balances (refer note 16)	0.10	86.42	-	-
Unbilled revenue	-	-	2,107.91	2,300.43
Accrued interest	-	-	98.03	30.18
Rent equalisation reserve	1,051.50	231.31	94.38	-
Restatement of forward cover	-	-	52.99	132.42
Mark to market gains on forward cover	-	5.42	257.81	73.81
Expense incurred on behalf of customers	-	-	30.41	74.38
	1,051.60	323.15	2,641.53	2,611.22

Notes to the Financial Statements for the year ended 31 March 2015

(₹ millions)

	31 March 2015	31 March 2014
14. CURRENT INVESTMENTS*		
Unquoted mutual funds		
ICICI Prudential Liquid - Direct Plan 5,260,008 units at ₹ 100.0565 (31 March 2014: 17,878,500 units at ₹ 100.0540)	526.30	1,788.82
IDFC Money Manager Fund - Invest Plan 53,744,895 units at ₹ 10.0528 (31 March 2014: 50,394,183 units at ₹ 10.0528)	540.29	506.60
L&T Liquid Fund Direct Plan 398,880 units at ₹ 1,012.0499 (31 March 2014: 3,130,933 units at ₹ 1,011.9470)	403.69	3,168.34
Reliance Liquid Fund - Treasury Plan 217,800 units at ₹ 1,528.7400 (31 March 2014: 151,281 units at ₹ 1,528.7400)	332.96	231.27
Birla Fixed Term Plan - Series KX 20,000,000 units at ₹ 10.0000 (31 March 2014: Nil units)	200.00	-
IDFC Fixed Term Plan Series 86 20,000,000 units at ₹ 10.0000 (31 March 2014: Nil units)	200.00	-
ICICI Prudential FMP Series 73 20,000,000 units at ₹ 10.0000 (31 March 2014: Nil units)	200.00	-
Birla Sun Life Savings Fund - Retail - Daily Dividend 21,956,082 units at ₹ 100.2972 (31 March 2014: Nil units)	2,202.13	-
IDFC Money Manager Fund - Treasury Plan 75,171,893 units at ₹ 10.0676 (31 March 2014: Nil units)	756.80	-
JPMorgan India Liquid Fund - Direct - DDR 52,913,078 units at ₹ 10.0101 (31 March 2014: Nil units)	529.67	-
Reliance Yearly Interval Fund - Series 6 32,150,501 units at ₹ 10.8863 (31 March 2014: Nil units)	350.00	-
Reliance Yearly Interval Fund - Series 9 13,796,656 units at ₹ 10.8722 (31 March 2014: Nil units)	150.00	-
Reliance Liquid Fund - Cash Plan - Direct Plan 225,893 units at ₹ 1,114.1500 (31 March 2014: Nil units)	251.68	-
Reliance Qtly Interval fund - Series II - Direct Dividend 39,944,876 units at ₹ 10.0138 (31 March 2014: Nil units)	400.00	-
Religare Invesco Credit Opportunities Fund - Direct Plan Daily Dividend 511,074 units at ₹ 1,000.2900 (31 March 2014: Nil units)	511.22	-
Birla Sun Life Cash Plus Nil units (31 March 2014: 14,371,336 units at ₹ 100.1950)	-	1,439.94
ICICI Prudential Interval Fund IV Quarterly Interval Plan B Nil units (31 March 2014: 19,995,001 units at ₹ 10.0025)	-	200.00
ICICI Prudential Interval Fund II Quarterly Interval Plan F Nil units (31 March 2014: 19,973,834 units at ₹ 10.0131)	-	200.00
Reliance Interval Fund - Quarterly Plan - Series I - Direct Nil units (31 March 2014: 39,915,379 units at ₹ 10.0212)	-	400.00
IDFC Fixed Term Plan Series 73 Direct Plan Nil units (31 March 2014: 30,000,000 units at ₹ 10.0000)	-	300.00
Reliance Fixed Horizon Fund - XXV Series 32 Nil units (31 March 2014: 40,000,000 units at ₹ 10.0000)	-	400.00
	7,554.74	8,634.97

* Valued at lower of cost and fair value.

Notes to the Financial Statements for the year ended 31 March 2015

(₹ millions)

	Non Current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
15. TRADE RECEIVABLES				
Unsecured considered good	53.82	97.80	-	-
Doubtful	585.41	373.66	-	-
Less: Provision for doubtful receivables	(585.41)	(373.66)	-	-
	53.82	97.80	-	-
Outstanding for a period exceeding six months from the date they are due for payment, unsecured				
- Considered good	-	-	-	337.45
Other receivables				
- Considered good	-	-	4,774.30	4,678.50
	-	-	4,774.30	5,015.95
	53.82	97.80	4,774.30	5,015.95

	Non Current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
16. CASH AND BANK BALANCES				
Cash and cash equivalents				
Cash on hand	-	-	-	-
<i>Balances with banks:</i>				
- On current accounts	-	-	1,069.50	1,473.75
- Deposits with original maturity less than 3 months	-	-	816.08	212.62
- Unclaimed dividend	-	-	6.97	7.76
	-	-	1,892.55	1,694.13
Other bank balances*				
- Deposits with original maturity for more than 12 months	0.10	86.42	586.32	1,000.00
- Deposits with original maturity for more than 3 months but less than 12 months	-	-	8,054.76	39.80
	0.10	86.42	8,641.08	1,039.80
Amount disclosed under non-current assets (refer note 13)	(0.10)	(86.42)	-	-
	-	-	8,641.08	1,039.80
	-	-	10,533.63	2,733.93

* Includes restricted deposits of ₹ 86.42 million as at 31 March 2015 (31 March 2014, ₹ 86.42 million)

Notes to the Financial Statements for the year ended 31 March 2015

(₹ millions)

	Year ended 31 March 2015	Five months ended 31 March 2014
17. REVENUE FROM OPERATIONS		
Sale of services (refer note 38 and 42)	30,173.62	13,646.54
Profit / (loss) on cashflow hedges	90.84	(356.88)
	30,264.46	13,289.66
17.1 Details of services rendered:		
Application maintenance & other services	10,209.25	4,571.45
Application development	5,878.03	2,727.52
Infrastructure management services	9,209.54	4,159.35
Others	4,876.80	2,188.22
	30,173.62	13,646.54
18. OTHER INCOME		
Interest income on		
Bank deposits	517.10	65.89
Others	0.02	0.19
Dividend income on investments	516.17	342.89
Profit on sale of investments	143.25	-
Foreign exchange gain, (net)	303.34	25.94
Profit on sale of fixed assets, (net)	84.85	2.06
Miscellaneous income	4.65	2.10
Sublease income	52.03	23.07
	1,621.41	462.14
19. EMPLOYEE BENEFITS EXPENSE		
Salaries and bonus	13,369.50	5,655.20
Contribution to provident and other funds	572.61	243.53
Employee stock option compensation cost (net)	25.18	1.48
Gratuity expense (refer note 32(a))	167.07	68.93
Staff welfare expenses	423.53	183.48
	14,557.89	6,152.62
20. FINANCE COST		
Interest	14.18	4.24
Exchange difference to the extent considered as an adjustment to borrowing costs	45.03	-
	59.21	4.24

Notes to the Financial Statements for the year ended 31 March 2015

(₹ millions)

	Year ended 31 March 2015	Five months ended 31 March 2014
21. OTHER EXPENSES*		
Travel	539.76	319.31
Recruitment expenses	181.41	39.78
Communication expenses (net of reversal)	(59.76)	108.32
Rent	2,134.44	838.75
Professional charges	916.46	325.51
Payment to auditor (refer details below)	14.79	8.52
Provision for doubtful debts	210.44	86.67
Software development expenses	3,767.31	1,729.42
Power and fuel	488.05	181.01
Selling commission	165.55	40.79
Software support & annual maintenance charges	395.45	264.47
Insurance	79.94	22.66
Rates & taxes (net of refund)	(60.74)	(90.11)
Repairs & maintenance		
- Plant & machinery	3.52	1.33
- Building	7.75	2.98
- Others	0.01	4.14
Loss on sale / revaluation of investments (net)	-	20.55
Corporate Social Responsibility expense (refer note 43)	21.88	-
Miscellaneous expenses	814.69	358.21
	9,620.95	4,262.31

* net of reversal of certain provisions which are no longer required amounts to ₹ 660.88 millions (five months ended 31 March 2014: ₹ 100.61 millions).

	Year ended 31 March 2015	Five months ended 31 March 2014
Payment to Auditor *		
As auditor:		
Statutory audit fee	11.08	5.94
Tax audit fee	1.82	1.06
Other services (certification fees)	1.77	1.08
Reimbursement of expenses	0.12	0.44
	14.79	8.52

* excluding service tax.

22. The Company's software development centres in India include 100% Export Oriented ('EOU'), Special Economic Zone ('SEZ') under Special Economic Zone Ordinance and Software Technology Park ('STP') Units under the Software Technology Park guidelines issued by the Government of India. They are exempted from customs and central excise duties and levies on imported and indigenous capital goods and stores and spares. The Company has executed legal undertakings to pay customs duty, central excise duty, levies and liquidated damages, if any, in respect of imported and indigenous capital goods and stores and spares consumed duty free, in the event that certain terms and conditions are not fulfilled. Bank guarantees aggregating to ₹ 51.89 millions as at 31 March 2015 (31 March 2014: ₹ 44.06 millions) have been furnished to the Customs authorities in this regard.

Notes to the Financial Statements for the year ended 31 March 2015

23. Contingent liabilities and commitments

- (a) The Company has received assessment orders for the financial years ended 31 March 2004, 31 March 2005, 31 March 2006, 31 March 2007, 31 March 2008, 31 March 2009, 31 March 2010 and 31 March 2011 wherein certain adjustments in respect of transfer pricing under Section 92CA of the Income Tax Act, 1961 have been made to the taxable income and demand orders for ₹ 1,802.44 millions (31 March 2014: ₹ 1,499.32 millions) have been raised on the Company. The above demands are disputed by the management and the Company has filed appeals against the aforesaid orders with appellate authorities. The management is of the view that the prices determined by it are at arm's length and is confident that the demands raised by the assessing officer are not tenable under law. Pending outcome of the aforesaid matters under litigation, no provision has been made in the books of account for the above mentioned tax demands.

Other claims against the Company not acknowledged as debts amount to ₹ 1,692.91 millions (31 March 2014: ₹ 2,243.61 millions) net of bank guarantees aggregating to ₹ 4,841.14 millions (31 March 2014: ₹ 4,841.14 millions). The management, basis internal evaluation and legal opinion is of the view that these demands are not tenable.

- (b) Other outstanding bank guarantees as at 31 March 2015: ₹ 676.72 millions (31 March 2014: ₹ 693.77 millions); including those furnished on account of jointly controlled operations ₹ 99.35 millions (31 March 2014: ₹ 99.35 millions).
- (c) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for as at 31 March 2015: ₹ 304.60 millions (31 March 2014: ₹ 74.63 millions).
- (d) The Company has received claims from certain customers / vendors. Management is of the view that these claims are not tenable and is taking appropriate action in this regard. It is not practical for the group to estimate the amounts.
- (e) Forward contracts outstanding against receivables / highly probable forecast transactions as at 31 March 2015 and 31 March 2014 are as below:

Currency	31 March 2015		31 March 2014	
	Amount (millions)	Amount in ₹ (millions)	Amount (millions)	Amount in ₹ (millions)
USD	199.61	12,475.63	213.78	12,808.63
GBP	13.11	1,212.28	10.39	1,036.56
CAD	1.02	50.01	1.97	106.91
AUD	5.22	248.13	4.37	241.65
EUR	16.51	1,109.31	12.23	1,011.24

Forward contracts outstanding against payables as at 31 March 2015 and 31 March 2014 are as below:

Currency	31 March 2015		31 March 2014	
	Amount (millions)	Amount in ₹ (millions)	Amount (millions)	Amount in ₹ (millions)
USD	20.00	1,250.00	-	-
SGD	2.84	129.15	3.33	158.45

The foreign exchange exposure of the Company has been hedged by forward contracts disclosed above.

Unamortised premium as at 31 March 2015 on forward exchange contracts to hedge the foreign currency risk of the underlying outstanding at the balance sheet date is ₹ 36.74 millions (31 March 2014: ₹ 68.22 millions). Net foreign currency exposure of the Company that is not hedged by a derivative instrument or otherwise as at 31 March 2015: ₹ 13,594.38 millions (31 March 2014: ₹ 14,275.82 millions).

- (f) The Company has issued performance guarantees on behalf of its subsidiaries for any future liabilities which may arise out of contracts and to certain clients for executed contracts. It is not practical for the group to estimate the amounts.
- (g) The Company has extended comfort letters to provide continued financial support to some of its subsidiaries to ensure that these entities operate on going concern basis and are able to meet their debts and liabilities as they fall due.

Notes to the Financial Statements for the year ended 31 March 2015

24. Operating Leases

- (a) The Company is obligated under non-cancellable leases for equipment, office and residential space that are renewable on a periodic basis at the option of the lessor and lessee. The total rental expenses under non-cancellable operating leases amounted to ₹ 710.52 millions for the year ended 31 March 2015 (five months ended 31 March 2014: ₹ 318.68 millions).

Future minimum lease payments under non-cancellable operating lease as at 31 March 2015 are as follows:

Period	(₹ millions)	
	31 March 2015	31 March 2014
Not later than 1 year	1,079.91	1,430.65
Later than 1 year and not later than 5 years	338.76	1,047.66
More than 5 years	-	-
	1,418.67	2,478.31

The Company has also occupied office facilities and residential facilities under cancellable operating lease agreements. The Company intends to renew such leases in the normal course of its business. Total rental expense under cancellable operating leases was ₹ 1,423.92 millions for the year ended 31 March 2015 (five months ended 31 March 2014: ₹ 520.07 millions). Office premises are obtained on operating lease for terms ranging from 1-7 years and are renewable at the option of the Company/lessor.

- (b) The Company has also subleased office space under cancellable operating lease agreements. The total sub lease rental income under cancellable operating leases amounted to ₹ 52.03 millions for the year ended 31 March 2015 (five months ended 31 March 2014: ₹ 23.07 millions).

25. Related Party Transactions

(a) Entities where control exists:

- Hewlett-Packard Company, USA (ultimate holding Company)
- Hewlett-Packard Eagle Corporation, USA (100% subsidiary of Hewlett-Packard Company, USA)
- Electronic Data Systems LLC, USA (formerly Electronic Data Systems Corporation, USA), (100% subsidiary of Hewlett-Packard Eagle Corporation, USA)*

* EDS Asia Pacific Holdings (formerly TH Holding, Mauritius), EDS World Corporation (Far East) LLC and EDS World Corporation (Netherlands) LLC, the subsidiaries of Electronic Data Systems LLC, USA (formerly Electronic Data Systems Corporation, USA) hold 60.49% (31 March 2014: 60.49%) of the equity capital of the Company.

- (b) The related parties where control exists also includes BFL Employees Equity Reward Trust, Kshema Employees Welfare Trust, Mphasis Employee Benefit Trust, Mphasis Provident Fund Trust (Refer note 32 (b) for information on transactions with Mphasis Provident Fund Trust) and the following subsidiaries:

- | | |
|---|--|
| ■ Mphasis Corporation ('Mphasis USA') | ■ Mphasis Deutschland GmbH ('Mphasis GmbH') |
| ■ Mphasis Australia Pty Limited ('Mphasis Australia') | ■ Mphasis (Shanghai) Software & Services Company Limited ('Mphasis China') |
| ■ Mphasis Consulting Limited ('Mphasis Consulting') | ■ Mphasis Finsource Limited ('Mphasis Finsource') |
| ■ Mphasis Ireland Limited ('Mphasis Ireland') | ■ Mphasis Belgium BVBA ('Mphasis Belgium') |
| ■ Mphasis Lanka Private Limited ('Mphasis Lanka') | ■ Mphasis Poland s.p.z.o.o |
| ■ PT. Mphasis Indonesia ('Mphasis Indonesia') | ■ Mphasis Europe BV ('Mphasis Europe') |
| ■ Mphasis Pte Limited ('Mphasis Singapore') | ■ Mphasis Infrastructure Services Inc. |
| ■ Mphasis UK Limited ('Mphasis UK') | ■ Msource (India) Private Limited ('Msource India') |
| ■ Mphasis Wyde Inc. | ■ Mphasis Software and Services (India) Private Limited ('Mphasis India') |
| ■ Wyde Corporation Inc. | ■ Msource Mauritius Inc. ('Msource Mauritius') |
| ■ Wyde Solutions Canada Inc. | ■ Mphasis Wyde SASU |
| ■ Mphasis Philippines Inc. | ■ Investor Services, LLC |
| ■ Wyde Tunisie SARL | ■ Digital Risk Valuation Services, LLC |
| ■ Digital Risk, LLC | ■ Digital Risk Europe, OOD |
| ■ Digital Risk Mortgage Services, LLC | ■ Digital Risk Analytics, LLC |
| ■ Digital Risk Compliance Services, LLC | |

Notes to the Financial Statements for the year ended 31 March 2015

(c) Key management personnel:

The key management personnel of the Company are as mentioned below:

■ Balu Ganesh Ayyar	Chief Executive Officer
■ A. Sivaram Nair *	Executive Vice President, Company Secretary General Counsel & Ethics Officer
■ V. Suryanarayanan *	Executive Vice President & Chief Financial ('CFO') - Appointed w.e.f. 01 August 2014 (interim CFO w.e.f. 04 June 2014 till 31 July 2014)
■ Ganesh Murthy *	Executive Vice President & Chief Financial Officer Resigned w.e.f. 03 June 2014

* Considered as Key Management Personnel w.e.f. 1 April 2014 as per the provisions of Companies Act, 2013

Non-executive/ independent directors on the Board of the Company

■ Friedrich Froeschl	Director - Non Executive Independent Director, Chairman of the Board
■ James Mark Merritt	Director - Vice Chairman of the Board w.e.f 13 March 2014
■ Davinder Singh Brar	Director - Non Executive Independent Director
■ Narayanan Kumar	Director - Non Executive Independent Director
■ Lakshmikanth K Ananth	Director
■ Shankar Maitra	Director w.e.f. 05 December 2013
■ Stefan Antonio Lutz	Director – Appointed w.e.f. 12 February 2014
■ Mary Teresa Hassett	Additional Director – Appointed w.e.f. 30 September 2014
■ Chandrakant D Patel	Director – Resigned w.e.f. 30 September 2014
■ Antonio Neri	Director – Resigned w.e.f. 05 December 2013
■ V Ravichandran	Director – Resigned w.e.f. 12 February 2014

(d) Direct or indirect subsidiaries of ultimate holding company with which transactions have taken place:

■ Global E:Business Operations Private Ltd	■ Hewlett-Packard Multimedia SDN BHD
■ P.T. Hewlett-Packard Berca Servisindo	■ HP Information Security UK Ltd
■ Hewlett-Packard Sverige A.B.	■ Hewlett-Packard Nederland B.V.
■ Hewlett-Packard India Sales Private Limited	■ Hewlett-Packard New Zealand
■ Hewlett Packard Servicios Espania, S.L.	■ Hewlett-Packard Norge A/S
■ Hewlett-Packard (Canada) Co.	■ Hewlett-Packard OY
■ Hewlett-Packard (K) Limited Liability Partnership	■ Hewlett-Packard Pakistan (Private) Limited
■ Hewlett-Packard (Schweiz) GmbH	■ Hewlett-Packard Philippines Incorporation
■ Hewlett-Packard (Thailand) Ltd	■ Hewlett-Packard Services Kuwait Company W.L.L
■ HP Services (Singapore) Pte Ltd	■ HP Software, LLC
■ Hewlett-Packard Aps	■ Hewlett-Packard Singapore (Sales) Pte. Ltd
■ Hewlett-Packard Asia Pacific Pte Ltd	■ Hewlett-Packard Slovakia, s.r.o.
■ Hewlett-Packard Australia Pty Limited.	■ Hewlett Packard Europe Finance Ltd
■ Hewlett-Packard Belgium B.V.B.A/S.P.R.L	■ Hewlett-Packard Nigeria Ltd
■ Hewlett-Packard Brasil Ltda	■ China Hewlett-Packard Ltd.
■ Hewlett-Packard CDS Limited	■ Hewlett-Packard de Mexico S. De R.L. De CV
■ Hewlett-Packard Enterprises LLC	■ HP Centre de Competence France SAS
■ Hewlett-Packard Financial Services (India) Private Ltd.	■ HP Enterprise Services (Hong Kong) Ltd
■ Hewlett-Packard France SAS	■ HP Enterprise Services Australia Pty Ltd

(Contd...)

Notes to the Financial Statements for the year ended 31 March 2015

- Hewlett-Packard FS France SAS
- Hewlett-Packard Galway Ltd
- Hewlett-Packard Gesellschaft m.b.H
- Hewlett-Packard Global Investments B.V
- Hewlett-Packard Globalsoft Limited
- Hewlett-Packard GmbH
- Hewlett-Packard International Sa'rl
- Hewlett-Packard International Trade B.V.
- Hewlett-Packard Japan Limited
- Hewlett-Packard Ltd
- HP India Software Operation Pvt Ltd
- HP Enterprise Services BPA Pty Ltd
- HP Enterprise Services Italia S.r.l
- HP Enterprise Services UK Ltd
- HP Enterprise Services Energy Italia S.r.l
- HP Enterprise Services, LLC
- HP Facilities Services (Malaysia) Sdn Bhd
- HP Financial Services (Australia) Pty Ltd
- HP Financial Services (New Zealand)
- HP Financial Services GmbH
- Hewlett-Packard Ireland, Ltd.
- HP Financial Services SPRL

(e) The following is the summary of significant transactions with related parties by the Company:

(₹ millions)

	Year ended 31 March 2015	Five months ended 31 March 2014
Rendering of services - entities where control exists	5,283.43	2,346.72
-Mphasis USA	3,417.64	1,434.08
-Mphasis Australia	183.06	109.43
-Hewlett-Packard Company, USA	247.11	87.68
-Msource India	710.47	360.91
-Others	725.15	354.62
Rendering of services - other related parties	12,377.12	6,075.30
-HP Enterprises Services, LLC	7,585.93	3,709.38
-Others	4,791.19	2,365.92
Purchase of fixed assets - entities where control exists	3.69	1.28
-Msource India	3.69	0.02
-Mphasis Finsource	-	1.26
Purchase of fixed assets - other related parties	76.64	11.05
-Hewlett-Packard Singapore (Sales) Pte. Limited	30.71	3.99
-Hewlett-Packard India Sales Private Limited	45.93	7.06
Lease Rental (reversed) / incurred - other related parties	(1.57)	13.86
-Hewlett-Packard Financial Services (India) Private Limited	(1.57)	13.86
Sale of fixed assets - entities where control exists	4.52	0.21
-Msource India	4.52	0.21
Sale of fixed assets - other related parties	0.43	-
-Hewlett Packard India Sales Private Limited	0.43	-
Software development charges - entities where control exists	2,449.88	1,327.01
-Mphasis USA	1,987.50	1,105.28
-Others	462.38	221.73
Software development charges - other related parties	9.76	4.06
-HP Services (Singapore) Pte Limited	9.76	4.06
Software support and annual maintenance charges - other related parties	180.08	226.02
-HP Services (Singapore) Pte Limited	147.83	226.02
-Others	32.25	-
Communication charges (reversed) / incurred- other related parties	(275.08)	-
-HP Services (Singapore) Pte Limited	(275.08)	-

(Contd...)

Notes to the Financial Statements for the year ended 31 March 2015

(₹ millions)

	Year ended 31 March 2015	Five months ended 31 March 2014
Commission charges - entities where control exists	165.55	40.79
-Mphasis Consulting	26.12	15.22
-Mphasis Europe	29.97	13.35
-Mphasis Belgium	20.89	8.75
-Mphasis UK	77.31	-
-Others	11.26	3.47
Dividend paid (on cash basis)	889.75	2,160.81
-EDS Asia Pacific Holdings	581.02	1,411.04
-EDS World Corporation (Far East) LLC	308.73	749.77
-EDS World Corporation (Netherlands) LLC	-	-
Remuneration to executive key management personnel	121.92	44.39
-Balu Ganesh Ayyar	88.75	44.39
-Others	33.17	-
Commission to non-executive directors *	13.50	5.78
-Friedrich Froeschl	6.19	2.67
-Davinder Singh Brar	3.42	1.45
-Narayanan Kumar	3.89	1.66
Interest income from deposits made to entities where control exists	0.02	0.19
-Mphasis Lanka	0.02	0.19
Investment in entities where control exists	49.13	2.07
-Mphasis Lanka (refer note 39)	49.13	-
-Mphasis Poland sp.z.o.o	-	2.07
Refund from Mphasis Employee Benefit Trust	0.26	0.03
Loan adjusted against issue of RSU with Mphasis Employee Benefit Trust	11.91	1.05
Deposits refunded by entities where control exists	44.94	-
-Mphasis Lanka	44.94	-
Sub-lease rental income - entities where control exists	52.03	23.07
-Msource India	52.03	21.84
-Mphasis Finsource	-	1.23
Sub-lease rent expense - entities where control exists	23.76	16.09
-Msource India	23.76	12.81
-Mphasis Finsource	-	3.28

* This does not include remuneration paid to certain non-executive directors by the ultimate parent company and its affiliates as they are employees of the said companies.

Notes to the Financial Statements for the year ended 31 March 2015

In addition to the above, the Company and its subsidiaries incur reimbursable expenses on behalf of each other in the normal course of business.

(₹ millions)

	Year ended 31 March 2015	Five months ended 31 March 2014
Expenses incurred on behalf of related parties	12.64	1.02
Mphasis USA	9.52	0.82
Msource India	1.37	0.11
Others	1.75	0.09
Cost Allocation to related parties	387.18	167.55
Msource India	290.19	115.70
Mphasis USA	72.17	36.94
Others	24.82	14.91
Expenses incurred by related parties on Company's behalf	255.95	103.45
Mphasis USA	55.53	9.36
Msource India	197.00	93.71
Others	3.42	0.38

(f) **Managerial remuneration***

Expenses include the following remuneration to the key management personnel:

	Year ended 31 March 2015	Five months ended 31 March 2014
Salaries and allowances	106.68	38.77
Provident and other funds **	1.71	0.47
Monetary value of perquisites	13.53	5.15
	121.92	44.39

* This does not include remuneration to certain non-executive directors, as the same is paid by the ultimate parent company and its affiliates as they are employees of the said companies.

** As the liability for gratuity and leave encashment is provided on an actuarial basis for the Company as whole, the amount pertaining to the directors are not included above.

(g) **The balances receivable from and payable to related parties are as follows:**

	31 March 2015	31 March 2014
Trade receivables and unbilled revenue- entities where control exists	2,152.07	1,249.38
-Mphasis USA	1,771.96	563.73
-Mphasis Australia	20.19	42.12
-Msource India	131.19	204.97
-Mphasis Infrastructure Services Inc.	10.36	211.62
-Hewlett-Packard Company, USA	33.80	53.26
-Others	184.57	173.68
Trade receivables and unbilled revenue- other related parties	2,184.02	3,176.94
-HP Enterprises Services, LLC	1,154.62	1,747.63
-HP Enterprise Services UK Ltd	329.49	352.78
-Others	699.91	1,076.53
Trade payables- entities where control exists	752.19	409.16
-Mphasis USA	485.37	225.92
-Msource India	54.95	69.24
-Mphasis UK	67.48	32.07
-Mphasis Consulting Limited	80.70	11.40
-Others	63.69	70.53

(Contd...)

Notes to the Financial Statements for the year ended 31 March 2015

(₹ millions)

	31 March 2015	31 March 2014
Other liabilities- entities where control exists *	263.85	145.28
-Mphasis USA	158.26	133.70
-Mphasis Australia Pty Limited	94.19	-
-Mphasis India	1.85	0.98
-Mphasis UK	-	0.04
-Others	9.55	10.56
Trade Payables- other related parties	264.20	791.79
-HP Services (Singapore) Pte Limited	174.79	710.97
-Others	89.41	80.82
Remuneration payable to executive key managerial personnel	2.93	4.37
-Balu Ganesh Ayyar	2.08	4.37
-Others	0.85	-
Commission payable to non-executive directors	-	5.78
-Davinder Singh Brar	-	1.45
-Narayanan Kumar	-	1.66
-Friedrich Froeschl	-	2.67
Loans and Advances - entities where control exists**	956.71	960.16
-Mphasis USA	637.55	542.80
-Msource India	125.43	81.34
-Mphasis Finsource	-	129.98
-Mphasis China	169.50	127.53
-Others	24.23	78.51
Loan to Mphasis Employee Benefit Trust	127.71	139.88
Interest receivable on deposit - entities where control exists	-	1.36
-Mphasis Lanka	-	1.36
Inter-corporate deposits placed with – entities where control exists	-	44.94
-Mphasis Lanka [maximum amount outstanding during the year ended 31 March 2015: ₹ 47.95 (31 March 2014: ₹ 44.94)]	-	44.94

* includes collection on behalf of related party.

** includes collection on behalf of the Company

26. C.I.F. value of imports

	Year ended 31 March 2015	Five months ended 31 March 2014
Capital goods	79.38	43.46

27. Earnings in foreign currency (accrual basis)

	Year ended 31 March 2015	Five months ended 31 March 2014
Revenues	24,580.94	11,617.11

Notes to the Financial Statements for the year ended 31 March 2015

28. Expenditure in foreign currency (accrual basis)

(₹ millions)

	Year ended 31 March 2015	Five months ended 31 March 2014
Software development charges	3,014.45	1,560.36
Travel	223.32	142.74
Professional charges	33.56	5.94
Software support and annual maintenance charges	241.70	235.88
Commission	165.55	40.79
Salary	811.12	328.69
Others (net of reversal)	(168.38)	42.21
	4,321.32	2,356.61

Additionally, during the year ended 31 March 2015, the Company has remitted dividend in foreign currency of ₹ 908.05 millions (five months ended 31 March 2014: ₹ 2,217.56 millions) to non-residents holding 129,721,817 (31 March 2014: 130,444,833) equity shares of the Company.

	Year ended 31 March 2015	Five months ended 31 March 2014
Number of shareholders	13	14
Number of shares held	129,721,817	130,444,833
Amount remitted (₹ millions)	908.05	2,217.56
Period / year to which the dividend relates	Year ended 31 March 2014	Year ended 31 October 2013

29. Segment reporting

The Company has identified Banking and Capital Market, Insurance, Information Technology, Communication and Entertainment and Emerging Industries as primary business segments of the Company.

The accounting policies consistently used in the preparation of the financial statements are also applied to record revenue and expenditure in individual segments. Assets, liabilities, revenues and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while other items, wherever allocable, are apportioned to the segments on an appropriate basis. Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably. The Company therefore believes that it is not practical to provide segment disclosures relating to such items, and accordingly such items are separately disclosed as 'unallocated'.

Client relationships are driven based on client domicile. The geographical segments include United States of America (USA), India Asia Pacific (APAC) and Europe, Middle East & Africa (EMEA).

Primary segment information

	Year ended 31 March 2015	Five months ended 31 March 2014
Segment revenue		
Banking and Capital Market	8,202.63	3,313.25
Insurance	5,471.76	2,232.69
Information Technology, Communication and Entertainment	6,405.01	2,903.12
Emerging Industries	10,094.22	5,197.48
Unallocated - Hedge	90.84	(356.88)
	30,264.46	13,289.66

Notes to the Financial Statements for the year ended 31 March 2015

(₹ millions)

	Year ended 31 March 2015	Five months ended 31 March 2014
Segment result *		
Banking and Capital Market	1,050.77	547.02
Insurance	1,356.66	666.88
Information Technology, Communication and Entertainment	1,897.27	807.62
Emerging Industries	3,830.64	2,001.57
Unallocated - Hedge	90.84	(356.88)
	8,226.18	3,666.21
Interest income	517.12	66.08
Finance costs	(59.21)	(4.24)
Other income	1,104.29	396.06
Other unallocable expenditure	(2,471.77)	(1,050.29)
Profit before taxation *	7,316.61	3,073.82
Income taxes	1,786.31	843.00
Profit after taxation	5,530.30	2,230.82

* includes exceptional item (also refer note 38).

	31 March 2015	31 March 2014
Segment assets		
Banking and Capital Market	5,039.24	3,528.13
Insurance	1,926.40	1,705.93
Information Technology, Communication and Entertainment	2,061.93	2,535.63
Emerging Industries	3,319.71	4,089.70
Unallocated	39,431.54	35,042.91
	51,778.82	46,902.30
Segment liabilities		
Banking and Capital Market	1,812.08	1,718.49
Insurance	1,206.82	869.08
Information Technology, Communication and Entertainment	1,098.99	1,352.65
Emerging Industries	1,601.61	2,068.75
Unallocated	5,564.27	2,345.61
	11,283.77	8,354.58
Capital employed		
Banking and Capital Market	3,227.16	1,809.64
Insurance	719.58	836.85
Information Technology, Communication and Entertainment	962.94	1,182.98
Emerging Industries	1,718.10	2,020.95
Unallocated	33,867.27	32,697.30
	40,495.05	38,547.72

Notes to the Financial Statements for the year ended 31 March 2015

(₹ millions)

	Year ended 31 March 2015	Five months ended 31 March 2014
Capital expenditure		
Banking and Capital Market	104.08	54.87
Insurance	69.42	36.99
Information Technology, Communication and Entertainment	81.23	48.07
Emerging Industries	128.10	86.09
	382.83	226.02
Depreciation and amortisation		
Banking and Capital Market	89.26	39.70
Insurance	51.73	27.08
Information Technology, Communication and Entertainment	110.72	68.76
Emerging Industries	79.50	58.86
	331.21	194.40

Secondary segment information (revenues)

	Year ended 31 March 2015	Five months ended 31 March 2014
Region		
USA	19,124.40	9,019.57
India	4,850.47	1,665.85
APAC	1,349.23	681.48
EMEA	4,849.52	2,279.64
Unallocated - Hedge	90.84	(356.88)
	30,264.46	13,289.66

Revenues by geographical area are based on the geographical location of the client.

	31 March 2015	31 March 2014
Secondary segment information (segment assets)		
USA	5,274.14	4,584.39
India	45,028.86	40,344.22
APAC	479.77	722.53
EMEA	996.05	1,251.16
	51,778.82	46,902.30

	Year ended 31 March 2015	Five months ended 31 March 2014
Secondary segment information (Capital expenditure)		
Region		
India	382.83	226.02
	382.83	226.02

Notes to the Financial Statements for the year ended 31 March 2015

30. Earnings Per Share ('EPS')

Reconciliation of basic and diluted shares used in computing earnings per share:

	Year ended 31 March 2015	Five months ended 31 March 2014
Profit after taxation before exceptional items (₹ millions)	5,530.30	2,295.23
Profit after taxation after exceptional items (₹ millions)	5,530.30	2,230.82
Number of weighted average shares considered for calculation of basic earnings per share	21,01,38,538	21,01,30,113
Add: Dilutive effect of stock options	3,30,837	2,45,021
Number of weighted average shares considered for calculation of diluted earnings per share	21,04,69,375	21,03,75,134

The above does not include 21,000 (31 March 2014: 21,000) bonus shares held in abeyance by the Company.

31. Stock Based Compensation

The Company uses the intrinsic value method of accounting for its employee stock options except for RSU Plan 2010, RSU Plan 2011, RSU 2014 and ESOP 2012 plan wherein compensation cost is measured based on fair value method. The Company has therefore adopted the pro-forma disclosure provisions as required by the Guidance Note on "Accounting for Employee Share-based Payments" issued by the ICAI with effect from 1 April 2005.

Had the compensation cost been determined in a manner consistent with the fair value approach described in the aforesaid Guidance Note, the Company's net profit and EPS as reported would have been adjusted to the pro-forma amounts indicated below:

	Year ended 31 March 2015	Five months ended 31 March 2014
	(₹ millions)	
Net profit as reported (before exceptional item)	5,530.30	2,295.23
Less: Stock based employee compensation expense determined under the intrinsic value method	-	-
Less: Stock based employee compensation income determined under the fair value method	-	-
Pro-forma net profit	5,530.30	2,295.23
Earning per share: Basic		
As reported	26.32	10.92
Pro-forma	26.32	10.92
Earning per share: Diluted		
As reported	26.28	10.91
Pro-forma	26.28	10.91
Net profit as reported (after exceptional item)	5,530.30	2,230.82
Less: Stock based employee compensation expense determined under the intrinsic value method	-	-
Less: Stock based employee compensation income determined under the fair value method	-	-
Pro-forma net profit	5,530.30	2,230.82
Earning per share: Basic		
As reported	26.32	10.62
Pro-forma	26.32	10.62
Earning per share: Diluted		
As reported	26.28	10.60
Pro-forma	26.28	10.60

Notes to the Financial Statements for the year ended 31 March 2015

The fair value of each stock option has been estimated by management on the respective grant date using the Black-Scholes option pricing model with the following assumptions:

Dividend yield %	1.44% to 1.98%
Expected life	1 to 4 years
Risk free interest rates	5.78% to 8.00%
Expected volatility (annualised) *	67.12% to 69.48%

* Expected volatility (annualised) is computed based on historical share price movement since April 2001.

32. Employee Benefits

a. Gratuity Plan

The following table sets out the status of the gratuity plan as required under revised AS 15.

Reconciliation of the projected benefit obligations

(₹ millions)

	31 March 2015	31 March 2014
Change in projected benefit obligation		
Obligations at year beginning	766.20	730.18
Service cost	78.69	42.86
Transfer	-	0.94
Interest cost	54.74	25.90
Benefits paid	(130.58)	(44.54)
Actuarial (gain)/loss	58.10	10.86
Obligations at year end	827.15	766.20
Change in plan assets		
Plan assets at year beginning, at fair value	326.91	359.47
Expected return on plan assets	24.46	12.75
Actuarial gain / (loss)	-	(1.12)
Contributions	21.07	0.11
Transfer	(0.06)	0.24
Benefits paid	(130.58)	(44.54)
Plan assets at year end, at fair value	241.80	326.91
Reconciliation of present value of obligation and fair value of plan assets		
Fair value of plan assets as at the year end	241.80	326.91
Present value of defined benefit obligation as at the year end	827.15	766.20
Liability recognized in the balance sheet	(585.35)	(439.29)

	Year ended 31 March 2015	Five months ended 31 March 2014
Assumptions		
Discount rate	7.81 %	8.78%
Expected rate of return on plan assets	9.00 %	8.00%
Actual rate of return on plan assets	9.00 %	8.85%
Attrition rate	20.00 %	20.00%
Expected contribution over next one year	50.00	439.29

Notes to the Financial Statements for the year ended 31 March 2015

(₹ millions)

Gratuity cost	Year ended 31 March 2015	Five months ended 31 March 2014
Service cost	78.69	42.86
Interest cost	54.74	25.90
Transfer	-	0.94
Expected return on plan assets	(24.46)	(12.75)
Actuarial (gain)/ loss	58.10	11.98
Net gratuity cost	167.07	68.93

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Expected return on plan assets is computed based on prevailing market rate.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	31 March 2015	31 March 2014
Investments with insurer	100%	100%

Amounts for the current and previous four periods are as follows:

	Year ended 31 March 2015	Five months ended 31 March 2014	Year ended 31 October 2013	Year ended 31 October 2012	Year ended 31 October 2011
Fair value of plan assets as at the year end	241.80	326.91	359.47	411.16	386.00
Present value of defined benefit obligation as at the year end	827.15	766.20	730.18	575.06	471.74
Liability recognized in the balance sheet	(585.35)	(439.29)	(370.71)	(163.90)	(85.74)
Experience Adjustment					
Experience gain/ (loss) on planned liability	(58.10)	(10.86)	(9.49)	0.64	0.64
Experience gain/ (loss) on planned assets	-	(1.12)	1.12	1.13	0.94

b. Provident Fund

Effective 03 July 2013, the Company has established a Mphasis Provident Fund Trust ('the Trust') to which contributions towards provident fund are made each month which have been invested in Government bonds with average returns more than guaranteed return. On 23 April 2014, an amount of ₹ 5,052.27 millions which was held by Regional Provident Fund Commissioner has been transferred from Recognised Provident Fund to the Mphasis Provident Fund Trust effective 01 April 2014. The Company has carried out actuarial valuation as at 31 March 2015.

The actuary has provided a valuation and based on the assumption mentioned below, there is no shortfall as at 31 March 2015.

The details of the fund and plan asset position are given below:

	31 March 2015
Plan assets at the year end	5,636.68
Present value of benefit obligation at year end	5,636.68
Asset recognized in balance sheet	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach.

Government of India (GOI) bond yield	7.81%
Remaining term of maturity (in years)	13
Expected guaranteed interest rate	8.75%

The Company contributed ₹ 456.56 millions during the year ended 31 March 2015 (five months ended 31 March 2014: ₹ 199.87 millions).

Notes to the Financial Statements for the year ended 31 March 2015

33. The details in respect of the jointly controlled operations entered into by the Company as on 31 March 2015 are as follows:

Sl. No.	Name of Joint Ventures	Nature of Project	Capital Commitments
1	TechSmart India Private Limited	The principal activity of this project is setting up enrolment stations, supply/installation of hardware, maintenance, and biometric data entry for National Population Register project of India.	Mphasis Limited is committed to procure the required fixed assets to service the customers and also provide performance bank guarantees / earnest money deposits, wherever required.
2	Swathy Smart Cards Hi-tech Private Limited		
3	Swathy Smart Cards Hi-tech Private Limited	The principal activity of this project is to deploy equipment/ manpower, and give technology support for collection of door to door data entry for Social Economic Caste Census project in India.	
4	JMK Infosoft Limited		
5	E-Governance Private Limited	The principal activity of this project is to supply equipment conduct enrollment operations and collect demographic data for issuance of Unique Identification cards in India.	
6	Strategic Outsourcing Services Private Limited		
7	CSS Techenergy Limited		

In respect of the above activities, the Company has advanced ₹ 10.00 millions (31 March 2014: ₹ 10.00 millions) to the said joint venturers.

During the current year, there are no transactions with the above parties.

34. The movement in provisions during the year is as below:

(₹ millions)

Claims	31 March 2015	31 March 2014
Opening balance	48.03	48.03
Additions	-	-
Amounts reversed / paid	-	-
Closing balance	48.03	48.03

35. The Company has incurred losses, in respect of certain long term non-cancellable revenue contracts, as the operations are in its stabilisation phase. The management has initiated various cost optimisation and revenue enhancement initiatives and is confident of making profits over the period of the contract.

36. The Company has entered into international and specified domestic transactions with its associated enterprises within the meaning of section 92B and section 92BA respectively of the Income Tax Act, 1961. The Company is of the view that all the aforesaid transactions have been made at arms' length terms.

37. The Boards of Directors in its meeting held on 27 September 2013 had approved the scheme of amalgamation ('the scheme') of Mphasis Finsource Limited, a wholly owned subsidiary of the Company, carrying on the business of business process outsourcing, into the Company with effect from 1 April 2013. The Honourable High Court of Karnataka had passed orders approving the scheme on 19 June 2014. Upon filing of the orders of the Honourable High Court of Karnataka with the Registrar of Companies on 04 September 2014, the scheme became effective and accordingly, the Company has given effect to the merger in the financial statements during the year ended 31 March 2015.

Pursuant to the terms of the approved merger scheme, the amalgamation has been accounted for under the pooling of interest method as prescribed by Accounting Standard 14 for "Accounting for Amalgamation", accordingly all the assets and liabilities recorded in the books of Mphasis Finsource Limited as of 31 March 2013 has been recorded by the Company at their respective book values as follows:

(₹ millions)

Fixed Assets	25.36
Deferred tax assets	7.31
Cash and Bank balances	45.47
Loans and advances	40.77
Trade receivables	48.80
Current assets	28.65
Trade Payables	183.89
Other Liabilities	7.56
Provisions	3.32

Notes to the Financial Statements for the year ended 31 March 2015

Further, pursuant to the terms of the approved merger scheme:

- (i) The Share Capital of Mphasis Finsource Limited and investments of the Company in Mphasis Finsource Limited have been cancelled and no difference arises on such cancellation.
- (ii) Expenses incurred by the Company in connection with the amalgamation scheme have been charged to the statement of profit and loss of the Company.

The loss for the financial year 2013-2014 pertaining to Mphasis Finsource Limited operations has been adjusted with the surplus in the statement of profit and loss.

38. On 13 February 2014, the Company entered into a definitive agreement subject to fulfilment of certain conditions for sale of a business division on a slump sale basis. Accordingly, the expected loss of ₹ 64.41 millions (net of tax of ₹ 33.17 millions) on such sale of business has been provided for and disclosed as an exceptional item during the five months period ended 31 March 2014. The management is confident of completing the sale of business division on fulfilment of the conditions precedent as per the definitive agreement. Pending completion of the transaction, the management has reversed / provided for overdue debtors of ₹ 379.43 millions.
39. On 22 July 2013, the Board of Directors of Mphasis Lanka (Private) Limited, a wholly owned subsidiary of the Company, resolved to close down its operations. Accordingly, the Company has made provision of ₹ 55.78 millions (31 March 2014: ₹ 46.69 millions) towards investment and inter-company receivable as at 31 March 2015.
40. Current tax for the year ended 31 March 2015 includes provision for earlier years amounting to ₹ 13.19 millions (Five months ended 31 March 2014: ₹ 47.56 millions) while deferred tax charge for the year ended 31 March 2015 include a reversal of ₹ 75.48 millions (Five months ended 31 March 2014: ₹ Nil). On account of said adjustments, the net impact of prior period tax reversal is ₹ 62.29 millions. (Impact of prior period tax charge for the five months ended 31 March 2014: ₹ 47.56 millions).
41. The ESOP schemes ("RSU 2010", "RSU 2011", "RSU 2014" and "ESOP 2012") of Mphasis Limited are administrated through the Mphasis Employee Benefit Trust ("MEBT") and all other ESOP schemes are administrated by BFL Equity Reward Trust ("BERT"). As per the Trust deeds, MEBT and BERT are constituted as irrevocable trusts. In this regard, basis legal advice obtained, the management is of the view that the Company has no right to the assets of MEBT and BERT, hence, the Company has not consolidated the financial statements of MEBT and BERT in the financial statements of the Company.
42. Revenue for the year ended 31 March 2015 are net of reversal of ₹ 123.80 millions pertaining to earlier periods (five months ended 31 March 2014: ₹ Nil).
43. As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility ('CSR') committee has been formed by Mphasis Limited. The primary function of the Committee is to assist the Board of Directors in formulating a CSR Policy and review the implementation and progress of the same from time to time. The CSR Policy focuses on creating opportunities for the disadvantaged with emphasis on persons with disabilities and Technology driven community development. Gross amount required to be spent by the Company during the year was ₹ 139.30 millions. The expenses incurred towards CSR activities amounting to ₹ 21.80 millions has been charged to the statement of profit and loss and is disclosed under other expenses.
44. The Company has changed its accounting year end from October to March, effective 01 November 2013. Consequent to such change, the figures furnished by the management for comparative is five months ended 31 March 2014. Hence, the same is not comparable with the current year's figures. Previous year's figures have been reclassified to conform to current year's classification, wherever applicable.

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP

Firm registration number: 101049W
Chartered Accountants

per Adarsh Ranka

Partner

Membership No. 209567

Santa Clara, U.S.A.
22 May 2015

For and on behalf of the Board of Directors

Balu Ganesh Ayyar

Chief Executive Officer

V. Suryanarayanan

*Executive Vice President &
Chief Financial Officer*

Santa Clara, U.S.A.
22 May 2015

Narayanan Kumar

Director

A. Sivaram Nair

*Executive Vice President, Company Secretary
General Counsel & Ethics Officer*

Cash Flow Statement for the year ended 31 March 2015

(₹ millions)

	Year ended 31 March 2015	Five months ended 31 March 2014
Cash flow from operating activities		
Profit before tax and exceptional item	7,316.61	3,138.23
Non-Cash Adjustment to reconcile profit before tax to net cashflows:		
Depreciation / amortization	331.21	194.40
Profit on sale of fixed assets	(84.85)	(2.06)
(Reversal) / Provision against investment in a subsidiary (refer note 39)	9.09	(15.64)
Employee stock compensation expense	25.18	1.48
Provision for bad and doubtful debts	210.44	86.67
Interest expense (excluding exchange difference considered as adjustment to borrowing cost)	14.18	4.24
Interest income	(517.12)	(66.08)
Dividend income	(516.17)	(342.89)
(Profit) / Loss on sale / revaluation of investments	(143.25)	20.55
Effect of exchange rate changes (gain) / loss	52.17	1.19
Operating profit before working capital changes	6,697.49	3,020.09
Increase / (decrease) in trade payables	(434.96)	(806.20)
Increase / (decrease) in provisions	137.79	56.77
Increase / (decrease) in other liabilities	(135.07)	63.69
Decrease / (increase) in trade receivables	75.18	552.80
Decrease / (increase) in loans and advances	(130.78)	(947.01)
Decrease / (increase) in other assets	(598.64)	73.13
Cash used in operations	(1,086.48)	(1,006.82)
Direct taxes paid (net of refunds)	(2,226.55)	(1,039.36)
Net cash flow from operating activities (A)	3,384.46	973.91
Cash flow from investing activities:		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(422.50)	(190.33)
Proceeds from sale of fixed assets	133.10	6.97
Investment in subsidiaries	(48.70)	(2.07)
Purchase of investments	(91,007.26)	(36,501.05)
Sale of investments	95,639.52	39,477.67
Interest received	449.27	71.74
Dividends received	516.17	342.89
Re-investment of dividend	(441.54)	(248.25)
Investments in bank deposits	(8,554.75)	(1,000.03)
Redemption/maturity of bank deposits	1,039.80	1,030.00
Refund of loan given to Mphasis Lanka private limited	44.94	-
Net cash flow (used in) / from investing activities (B)	(2,651.95)	2,987.54

Cash Flow Statement for the year ended 31 March 2015

(₹ millions)

	Year ended 31 March 2015	Five months ended 31 March 2014
Cash Flow from Financing Activities		
Proceeds from issue of share capital	0.06	0.08
Proceeds of premium from issue of share capital	0.60	0.75
Repayment of unsecured loans	(3,354.70)	-
Availment of unsecured loans	4,552.10	-
Interest paid	(14.18)	(4.24)
Dividends paid (including tax on dividend)	(1,721.89)	(4,177.90)
Net cash flow used in financing activities (C)	(538.01)	(4,181.31)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	194.50	(219.86)
Cash and cash equivalents at the beginning of the year	1,694.13	1,913.99
Add: Cash acquired on merger of Mphasis Finsource	3.92	-
Cash and cash equivalents at the end of the year	1,892.55	1,694.13
Components of cash and cash equivalents		
Cash on hand	-	-
Balance with banks		
- on current account	1,069.50	1,473.75
- on deposit account	816.08	212.62
- unclaimed dividend	6.97	7.76
Total cash and cash equivalents (note 16)	1,892.55	1,694.13

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP

Firm registration number: 101049W
Chartered Accountants

per Adarsh Ranka

Partner

Membership No. 209567

Santa Clara, U.S.A.

22 May 2015

For and on behalf of the Board of Directors

Balu Ganesh Ayyar

Chief Executive Officer

V. Suryanarayanan

*Executive Vice President &
Chief Financial Officer*

Santa Clara, U.S.A.

22 May 2015

Narayanan Kumar

Director

A. Sivaram Nair

*Executive Vice President, Company Secretary
General Counsel & Ethics Officer*

Group Office Locations

INDIA

Bengaluru

- Bagmane Laurel, No. 65/2, Block-A, Bagmane Technology Park, Byrasandra Village, C V Raman Nagar, Bengaluru - 560 093
Tel: 080 - 4004 4444
Fax: 080 - 4004 9998

- Bagmane Parin, No. 65/2, Block A, Bagmane Technology Park, Byrasandra Village, C V Raman Nagar, Bengaluru - 560 093
Tel: 080 - 4004 0404
Fax: 080 - 4004 9999

- Global Technology Village SEZ Survey Nos. 12/1, 12/2, 29 & 30 Mylasandra & Patanegere Villages RVCE post, Kengeri Hobli Bengaluru - 560 059
Tel: 080 - 3986 7000 Fax : 3064 6551

- Kshema Dhama #1, Global Village, Mylasandra Mysore Road, Bengaluru - 560 059
Tel: 080 - 4003 0303
Fax: 080 - 4003 3137

- Mereside Heights No. 1, Old Madras Road, Pai Layout, Bengaluru - 560 016
Tel: 080 - 4176 5500
Fax: 080 - 4176 5506

- Bagmane World Technology Center, W.T.C. 2, K.R. Puram Marathalli Ring Road, Mahadevapura Bengaluru - 560 048 India
Tel: 080 - 3352 5000

- Bagmane Developers Pvt Ltd Special Economic Zone, W.T.C. 3, Block A & B, Level 1, Bengaluru - 560 048
Tel: 080 - 3352 5000

- Bagmane Constructions Pvt Ltd Special Economic Zone, W.T.C. 4, Level 4, Mahadevapura, K R Puram, Bengaluru - 560 048
Tel: 080 - 3352 5000

- Mascot 90, EPIP Industrial Area No. 80, Block II, Whitefield Bengaluru - 560 066
Tel: 080 - 6792 3001

- Novel Building, Novel Tech Park, No. 46-4, Kudlu Gate, Garvebhavipalya, Hosur Road Behind Trident Hyundai Show Room Bengaluru - 560 068.

Ahmedabad

- Office No. 35, Raj Sukh Complex Opp. Gujraj Vidyapeeth, Allahabad Bank Lane Income Tax Ashram Road Ahmedabad - 380 014.

Bhubaneswar

- 3rd, 4th, 5th & 6th Floor, SM Tower, Plot No 130, Mancheswar Industrial estate, Bhubaneswar
Tel: 0674 - 6608 989

Chennai

- DLF IT PARK, Block 10, 6th & 8th Floor, 1/124, Sivaji Gardens, Moonlight Stop, Mount Poonamalle Road, Chennai - 600 089
Tel: +91-44-6637 6000
Fax: +91-44-6637 6103

- DLF SEZ IT Park, Tower 1B Level 1-5, 1/124, Sivaji Garden Manapakkam, Mount Poonamalle Road, Chennai - 600 089
Tel: +91-44-6637 0000
Fax: +91-44-6637 4000

Indore

- Westside Building, 17, Race Course Road, Indore - 452 001 (Madhya Pradesh)
Tel: 0731 - 3099 000
Fax: 0731 - 3099 034

Jaipur

- Office No. 104, 1st Floor, Gangali Tower, Amerpali Marg Near Tagore Circle, Vyshali Nagar, Jaipur - 302 021.

Mangalore

- No 92, Mangalore Thota, Mangalore Thota, 575001
Tel: 0824 - 2413000 Fax: 0824 - 2419800

- Techbay, PL Compound, Morgan's Gate, 22-5-750, Jeppu Ferry Road, Mangalore - 575 001
Tel: 0824 - 241 3000
Fax: 0824 - 241 9800

- Ferry Hill Bungalow, Sy. No 821/1 and 2, PL Compound, Village 92, Mangalore Thota - 575001
Tel: 0824 - 2413000
Fax: 0824 - 2419800

Mumbai

- Infinity IT Park, Unit No. 101, Building No. 4, 239, General A K Vaidya Marg, Dindoshi, Malad (East), Mumbai - 400 097
Tel: 022 - 6788 4000
Fax: 022 - 6788 4888

- Building No. 02, Plot No C - 06, MIDC Phase 01, Kalyan Sheel Road, DOMBIVALI (East), Near Manpada Police Station, Dist :- THANE - MH - 421 203
Tel: 0251 - 3065 121

Noida

- B-38, C/4, Sector 57 Noida - 201 301

Pune

- Cybercity, Tower IV Magarpatta Hadapsar, Pune - 411 013
Tel: 020 - 4014 1000
Fax: 020 - 6606 9010, 4014 1432

- EON free Zone. Cluster C Kharadi Knowledge Park EON Kharadi Infrastructure Pvt. Ltd SEZ Plot No.1, Survey No.77 MIDC, Kharadi, Pune - 411 014
Tel: 020 - 4074 0000
Fax: 020 - 6617 0000

Raipur

- Gursukh Towers, 1st to 3rd Floor Katora Talab Main Road, Raipur - 492 001, Chhattisgarh
Tel: 0771 - 3060 200
Fax: 0771 - 3060 240

Vadodara

- 3rd Floor, Spencer Mall Survey # 81/1, Opp. Sarabhai Chemicals Ghenda Circle, Wacivadi, Off. Alkapuri Vadodara - 390 002
Tel: 0265 - 6633269

AMERICAS

Canada

- 33 CITY CENTRE, Suite 601 MISSISSAUGA, ON L5B 2N5, Canada
- 520 Boulevard Charest E - Suite 300 G1K 3J3 Quebec QC Canada

- 917, MG Grandin, Suit 304, Quebec City, G1V 3X8.

- 90 University Avenue Charlottetown, P.E.I C1A4K9

USA

- 1220N Market Street, Suit 806, Wilmington, DE 19801
- 2711 Centerville Road, Suite 400 Wilmington, County of New Castle, Delaware 19808

- 160, Greentree Drive, Suit 101 Dover, DE 19904
- National Crop Research LTD 615 South Dupont Highway Dover, DE 19901

- Regus Southwind Office Nos. 137-138, 140-145, 8295 Tournament Drive Memphis, Tennessee 38125
Tel: +1 901 969.4400

- 2301 Maitland Center Parkway, Suite 165, Maitland, FL 32751
Tel: 407-215-2900

- 660 Century Point, Lake Mary, FL 32746
Tel: 407-708-0693

- 52011 Congress Avenue, Suite 250 Boca Raton, FL 33487
Tel: 561-208-7489

- 5011 Gate parkway, Building 200, Suite 220, Jacksonville, FL 32256
Tel: 904-394-0508

- 460 Park Avenue South, New York NY 10016
Tel: (212) 686-6655
Fax: (212) 683-1690

- 5353, North 16th Street, Suite 400 Phoenix, Arizona 85016
Tel: 1 - 602 - 604 - 3100
Fax: 1 - 602 - 604 - 3115

- Office # 102, 103, 2609 Crooks Rd., Troy, Michigan 48084

- Suite 340, South Wind Office Center D Building, 8295, Tournament Drive Memphis, Tennessee - 38215.

- 314, Wall Street, Building J Montgomery Township, Somerset County NJ - 08540.

- 226, Airport Parkway, San Jose, California, 95110.

EUROPE

Belgium

- Leonardo Da Vincilaan, 9, Zaventem, Belgium B-1935
Tel : 32 2 580 0092

France

- 6 Rue Beaubourg, 75004 Paris France
- 1 Place Paul Verlaine 92100 Boulogne - Billancourt

Germany

- Koblenzer, Street 34, Postfach 1221, D 56130 Bad Ems, Germany
Tel: 49-2603504151
Fax: 49(0)-2603506301

The Netherlands

- Strawinskyalaan 3051, 1077 ZX AMSTERDAM, The Netherlands
Tel: 31 - 639 - 110 - 223

Ireland

- C/O Andrew Partners, No.7, The Anchorage, Charlotte Quay, Dublin-4.

Poland

- 50-102 Wroclaw, Rynek 39/40

- KGHM Kuprum Ul.Gen.W.Sikorskiego, 2-8 Wroclaw
Tel: +48 71 902 701

Sweden

- C/o Hellstrom Advokatbyra KB Box 7305, 103 90 Stockholm Sweden

Switzerland

- C/o BB Treuhand AG, Rathausstrasse 7, 6341 Baar, (Switzerland)

UK

- 88 Wood Street, London EC2V 7RS, UK
Tel: 44 - 0208 - 528 - 1066
- Siena Court, Broadway, Maidenhead, Berkshire, UK, SL6, INJ

ASIA PACIFIC

Indonesia

- Setiabudi Atrium, 4th Floor Suite 405 Ji. H. R. Rasuna Said Kav. 62, Jakarta 12920, Indonesia

Japan

- Bureau Ginza, 1-12-607 Tsukiji 4-chrome, Chuoku, Tokyo, Japan
Tel: 81 3 3544 7767
Fax: 81 3 3544 7639
- Level 27, Tokyo, Sankel Building 1-7-2, Otemachi, Chiyodankee, Tokyo-100-Japan, Chiyoda, 100-0004.

New Zealand

- 99 - 105 Custom House Quay Wellington - 6001.

Singapore

- The Executive Center, Level 42, Six Battery Road, Singapore, 49909
Tel: + 65 63721737
Fax: + 65 63721739

China

- Room No. 23206, No.498 Ghoushoujing Road, Pudong New Area Shanghai PO 201203, PRC
Tel: 87 - 21 - 5080 7366
Fax: 87 - 21 - 5080 7362
- Room No. 912, No. 1011, Lujiazang Road, Huangpu Dist., Shanghai

Philippines

- 8th Floor, Sunlife Center, 5th avenue Cor, Rizal Drive, Bonitacio, Global City, Taguig City, Philippines

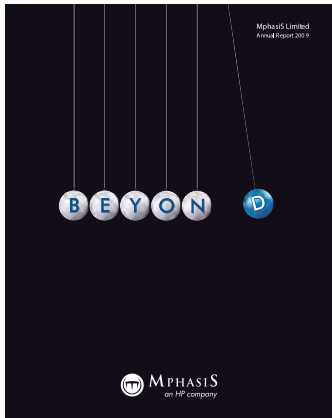
AUSTRALIA

- Shop 5, 17-19, East Parade Sutherland, NSW 2232

AFRICA

Mauritius

- C/o Multiconsult Limited, Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius



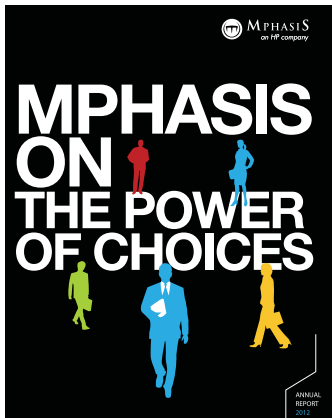
2009 Beyond



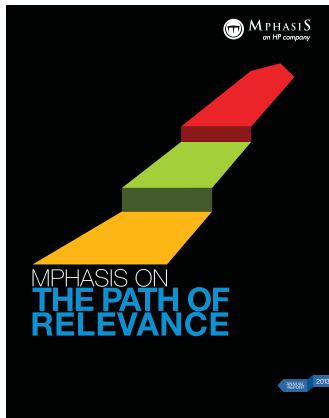
2010 Beyond a Billion



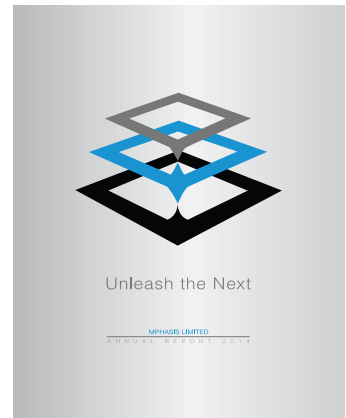
2011 Beyond Ideation



2012 Power of Choices



2013 Path of Relevance



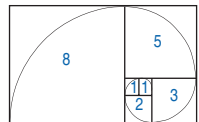
2014 Unleash the Next...



2015 Unleash the Next Digital Customer Experience

The Concept: The Golden Ratio in Fibonacci Sequence*

The next industrial revolution will be caused by digital data explosion and technology innovation experienced in all walks of life. The annual report captures the different aspects we have embraced at Mphasis as part of our 'Unleash the Next Digital Customer Experience' strategy. The concept draws its inspiration from the Fibonacci Sequence that reflects the Golden Ratio design principle omnipresent in nature.



*Fibonacci Sequence:

0, 1, 1, 2, 3, 5, 8, 13, 21, 34, 55, 89, 144, 233, 377, 610, 987, 1597, 2584, 4181, 6765, 10946, 17711, 28657, 46368, 75025, 121393, 196418, 317811, and so on (where each number is the sum of the two numbers before it). When we make squares with those widths, we get a nice spiral. When we take any two successive Fibonacci numbers, their ratio is very close to the Golden Ratio (a special number approximately equal to 1.618 and is represented by the Greek letter "phi" ϕ).



FORM A

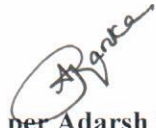
1	Name of the Company:	Mphasis Limited
2	Financial Statement for the year ended	31 March 2015
3	Type of Audit observations	Un-qualified opinion
4	Frequency of observations	Not applicable

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number:

101049W



per Adarsh Ranka
Partner

Membership No. 209567



Santa Clara, U.S.A.
22 May 2015

For and on behalf of the Board of Directors



Balu Ganesh Ayyar
Chief Executive officer



V. Suryanarayanan
Executive Vice President & Chief Financial Officer

Santa Clara, U.S.A.
22 May 2015



Narayanan Kumar
Director and Chairman of Audit Committee