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Mphasis Limited

Registered Office:

Baginane Technology Park
Byresandra, C.V. Raman Nagar
Bangalore 560 093, India
Ph.: +91 80 4004 4444
Fax: +91 80 4004 9998

Manager-Listing
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
MUMBAI -400 051

Dear Sir,

Sub : Compliance under Clause 41 of the Listing Agreement

We wish to inform you that the Board of Directors of the Company, at its meeting held today, have considered and approved the following:

- a. Audited consolidated Financial Results of Mphasis Group for the quarter ended 31 January 2012 as being published in the news papers.
- b. Audited Financial Results of Mphasis Limited for the quarter ended 31 January 2012 in the prescribed format.
- c. Report of the Auditors on the aforesaid Financial Results.
- d. Related Press Release.

We request you to kindly take the above on record as per the provisions of the Listing Agreement.

Thanking You,

Yours faithfully,
For Mphasis Limited

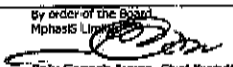
A. Sivaram Nair
Senior Vice President, Company Secretary,
General Counsel & Ethics Officer

Encl: a/a

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Mphasis Group Audited Consolidated Financial Results for the quarter ended 31 January 2012 prepared as per Indian GAAP Amounts in ₹ Lakhs unless otherwise indicated				
Profit and Loss Account	Quarter ended			Year Ended
	31 January 2012	31 October 2011 (refer note 7)	31 January 2011	31 October 2011
Revenue	136,718	131,376	123,350	506,796
Cost of Sales/Services				
a) Cost of Services (refer note 4)	97,167	94,322	87,686	367,577
b) Purchase of Traded Goods	2,775	1,740	-	2,189
Gross Profit	36,776	35,114	35,664	140,030
General Administrative Expenses (refer note 5)	4,680	4,980	3,516	18,349
Selling and Distribution Expenses	6,659	6,628	6,401	23,192
Depreciation	4,686	4,141	3,593	15,516
Provision for doubtful debts	-	36	-	36
Operating Profit before interest and foreign exchange gain, net	20,542	19,329	22,154	82,937
Foreign exchange gain, net	743	1,894	2,024	6,653
Interest expense	242	214	44	480
Operating Profit after interest expense	21,043	21,109	24,134	89,109
Other income, net	2,678	2,015	1,483	11,359
Profit before tax	23,921	24,124	25,617	100,459
Tax expense (refer note 6)	5,437	5,871	2,950	18,277
Net Profit after tax	18,484	18,303	22,667	82,182
Paid-up equity share capital of ₹ 10 each	21,008	21,004	20,997	21,004
Reserves excluding Revaluation Reserves	385,870	367,805	325,280	367,805
Earnings per share - Basic (₹)	8.80	8.72	10.80	39.14
Earnings per share - Diluted (₹)	8.78	8.69	10.76	39.02
Public share holding				
Number of Shares	82,964,983	82,929,779	82,860,953	82,929,779
Percentage of shareholding	39.49%	39.48%	39.48%	39.48%
Promoters and promoter group shareholding				
Pledged/Encumbered				
Number of Shares	-	-	-	-
Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-
Percentage of shares (as a % of the total share capital of the company)	-	-	-	-
Non-Encumbered				
Number of Shares	127,106,266	127,106,266	127,106,266	127,106,266
Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%
Percentage of shares (as a % of the total share capital of the company)	60.51%	60.52%	60.54%	60.52%
For Mphasis Limited stand-alone financial summary and detailed Management Discussion & Analysis of results of operations and financial condition, including detailed analysis of revenues, client concentration and human resources, please visit our website www.mphasis.com				
Segment Results	Quarter ended			Year Ended
	31 January 2012	31 October 2011	31 January 2011	31 October 2011
Segment Revenue				
Banking and Capital Market	35,686	34,144	31,373	131,003
Insurance	15,823	14,731	11,557	50,796
Information Technology, Communication and Entertainment	37,831	34,919	33,972	140,012
Emerging Industries	49,950	48,624	44,739	185,000
Unallocated - Hedge	(2,572)	(1,942)	1,709	3,025
	136,718	134,376	123,350	506,796
Segment Results				
Banking and Capital Market	9,455	8,567	6,571	29,750
Insurance	3,992	3,413	2,641	11,645
Information Technology, Communication and Entertainment	8,419	8,248	9,597	38,977
Emerging Industries	13,028	12,051	11,645	42,103
Unallocated - Hedge	(2,572)	(1,942)	1,709	3,025
	22,322	21,237	22,963	125,500
Interest income	118	53	40	313
Interest expenses	242	214	44	480
Other unallocable expenditure, net of unallocable income	8,777	6,952	6,742	24,864
Profit before tax	23,921	24,124	25,617	100,459
Capital Employed (Segment Assets-Segment Liabilities)				
Banking and Capital Market	23,068	29,691	24,490	25,691
Insurance	9,664	8,680	6,721	8,689
Information Technology, Communication and Entertainment	27,901	27,350	25,246	27,350
Emerging Industries	49,226	33,521	29,138	33,521
Unallocated	306,723	284,728	261,038	294,728
	406,582	389,979	346,641	389,979
Notes: 1) The above results were taken on record at the Board Meeting held on 1 March 2012. 2) Total staff costs for the quarter ended 31 January 2012 were ₹ 79,553 (quarter ended 31 January 2011 were ₹ 65,337). 3) There were Nil investor complaints pending at the beginning of the quarter and no complaints were received during the quarter. 4) Cost of Services for the quarter ended 31 January 2012 are net of reversal of certain provisions which are no longer required amounting to ₹ Nil (31 January 2011: ₹ 2,576). 5) General Administrative expenses for the quarter ended 31 January 2012 are net of reversal of certain provisions which are no longer required amounting to ₹ Nil (31 January 2011: ₹ 1,749). 6) Income tax - current tax for the quarter ended 31 January 2012 is net of reversal of provision for earlier years amounting to ₹ 1,800 (quarter ended 31 January 2011 ₹ Nil). 7) The figures for the immediately preceding period is the balancing figure between audited figures for full financial year and the audited published year-to-date figures for nine months. 8) The figures of previous period have been regrouped/ reclassified, wherever necessary, to conform with the current period classification.				
Registered Office: Bagmane Technology Park Byasandra, C V Raman Nagar, Bangalore 560093. Bangalore, 1 March 2012			By order of the Board Mphasis Limited  Balu Ganesh Ayyar, Chief Executive Officer	

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Mphasis Limited Audited Financial Results for the quarter ended 31 January 2012 prepared as per Indian GAAP Amounts in ₹ Lakhs unless otherwise indicated				
Profit and Loss Account	Quarter ended			Year Ended
	31 January 2012	31 October 2011 (refer note 7)	31 January 2011	31 October 2011
Revenue	86,840	83,851	82,129	340,413
Cost of Sales/Services				
a) Cost of Services (refer note 4)	62,612	61,284	54,457	232,968
b) Purchase of Traded Goods	2,778	1,740	-	2,189
Gross Profit	21,453	20,827	27,692	105,256
General Administrative Expenses (refer note 5)	2,623	2,637	2,071	9,511
Selling and Distribution Expenses	2,639	2,012	3,382	9,889
Depreciation	3,019	2,751	2,540	10,661
Provision for doubtful debts	-	3	-	3
Operating Profit before interest and foreign exchange gain, net	13,172	13,424	19,699	75,192
Foreign exchange gain, net	474	1,132	2,070	6,106
Interest expense	193	75	1	222
Operating Profit after interest expense	13,453	14,481	21,728	81,076
Other Income, net	2,505	2,838	1,199	10,082
Profit before tax	15,958	17,379	22,927	91,158
Tax expense (refer note 6)	1,197	3,787	2,076	12,957
Net Profit after tax	14,761	13,592	20,851	78,201
Paid-up equity share capital of ₹ 10 each	21,008	21,004	20,977	21,004
Reserves excluding Revaluation Reserves	331,886	318,622	283,216	318,622
Earnings per share - Basic (₹)	7.03	6.47	9.76	37.24
Earnings per share - Diluted (₹)	7.01	6.45	9.52	37.13
Public share holding				
Number of Shares	82,964,983	82,929,779	82,860,953	82,929,779
Percentage of shareholding	39.49%	39.48%	39.46%	39.48%
Promoters and promoter group shareholding				
Pledged/Encumbered				
Number of Shares	-	-	-	-
Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-
Percentage of shares (as a % of the total share capital of the company)	-	-	-	-
Non-Encumbered				
Number of Shares	127,106,266	127,106,266	127,106,216	127,106,266
Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%
Percentage of shares (as a % of the total share capital of the company)	60.51%	60.52%	60.54%	60.52%
Segment Results	Quarter ended			Year Ended
	31 January 2012	31 October 2011	31 January 2011	31 October 2011
Segment Revenue				
Banking and Capital Market	17,782	16,065	17,210	68,641
Insurance	10,131	10,736	9,078	39,252
Information Technology, Communication and Entertainment	26,480	23,399	21,810	94,273
Emerging Industries	34,890	34,624	32,302	135,163
Unallocated - Hedge	(2,443)	(973)	1,709	3,084
	86,840	83,851	82,129	340,413
Segment Results				
Banking and Capital Market	3,121	965	3,344	10,724
Insurance	2,564	3,098	2,629	10,943
Information Technology, Communication and Entertainment	6,382	5,224	6,944	30,674
Emerging Industries	8,958	9,906	10,691	39,853
Unallocated - Hedge	(2,143)	(973)	1,709	3,084
	18,562	18,220	25,317	95,278
Interest income	81	13	37	171
Interest expenses	193	75	1	222
Other unallocable expenditure, net of unallocable Income	2,517	770	2,478	4,069
Profit before tax	15,958	17,379	22,927	91,158
Capital Employed (Segment Assets-Segment Liabilities)				
Banking and Capital Market	11,797	14,921	18,460	14,921
Insurance	14,918	7,567	8,150	7,567
Information Technology, Communication and Entertainment	20,521	30,136	17,833	30,136
Emerging Industries	41,574	38,655	29,364	38,655
Unallocated	265,588	249,517	230,000	249,517
	354,398	340,796	304,307	340,796
Notes : 1) The above results were taken on record at the Board Meeting held on 1 March 2012. 2) Total staff costs for the quarter ended 31 January 2012 were ₹ 41,069 (quarter ended 31 January 2011 were ₹ 34,434). 3) There were Nil investor complaints pending at the beginning of the quarter and no complaints were received during the quarter. 4) Cost of Services for the quarter ended 31 January 2012 are net of reversal of certain provisions which are no longer required amounting to ₹ Nil (31 January 2011: ₹ 2,576). 5) General Administrative expenses for the quarter ended 31 January 2012 are net of reversal of certain provisions which are no longer required amounting to ₹ Nil (31 January 2011: ₹ 975). 6) Income tax - current tax for the quarter ended 31 January 2012 is net of reversal of provision for earlier years amounting to ₹ 1,800 (quarter ended 31 January 2011: ₹ Nil). 7) The figures for the immediately preceding period is the balancing figure between audited figures for full financial year and the audited published year-to-date figures for nine months. 8) The Company had revised its transfer pricing policy with regard to certain transactions with its subsidiaries with effect from 1 April 2011 and the effect of the same was accounted in quarter ended 31 October 2011. 9) The figures of previous period have been regrouped/reclassified, wherever necessary, to conform with the current period classification.				
Registered Office: Bagmane Technology Park Byrasandra, C V Raman Nagar, Bangalore 560093. Bangalore, 1 March 2012			By order of the Board Mphasis Limited  Balu Ganesh Ayyar, Chief Executive Officer	

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S.R. BATLIBOI & CO.
Chartered Accountants12th & 13th Floor
"UB City" Concorde Bldg
No. 24, Vittal Mallya Road
Bangalore-560 001, India
Tel: +91 80 4022 8000
Fax: +91 80 2010 6040**Auditor's Report on Quarterly Consolidated Financial Results of Mphasis Limited Pursuant to the Clause 41 of the Listing Agreement**To
Board of Directors of Mphasis Limited

1. We have audited the quarterly consolidated financial results of Mphasis Limited ('the Company') and its subsidiaries (collectively referred to as the 'Mphasis Group') for the quarter ended 31 January, 2012, attached herewith, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These consolidated quarterly financial results have been prepared from consolidated interim financial statements, which are the responsibility of the Company's management and have been approved by the Board of Directors. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended), as per Section 211(3C) of the Companies Act, 1956 and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. We report that quarterly condensed consolidated financial statements have been prepared by the Company's management in accordance with the requirements of AS 21, Consolidated Financial statements and AS 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended), as per Section 211(3C) of the Companies Act, 1956.
4. In our opinion and to the best of our information and according to the explanations given to us, these consolidated quarterly financial results:
 - (i) include the quarterly financial results of the following entities
 - Mphasis Corporation
 - Mphasis Deutschland GmbH
 - Mphasis Australia Pty Ltd
 - Mphasis (Shanghai) Software & Services Company Limited
 - Mphasis Consulting Limited
 - Mphasis Finance Limited
 - Mphasis Ireland Limited
 - Mphasis Belgium BVBA
 - Mphasis Europe BV
 - Mphasis Plc Ltd
 - Mphasis UK Limited
 - Mphasis Software and Services (India) Private Limited
 - Msource Mauritius Inc.
 - Msource (India) Private Limited
 - Mphasis Lanka (Private) Limited



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S.R. BATLIBOI & Co.

Chartered Accountants

- Mphasis Poland s.p.z.o.o.
- Msource India BPO Private Limited
- Mphasis Infrastructure Services Inc.
- PT. Mphasis Indonesia
- Mphasis Wyde Inc.
- Wyde Corporation
- Wyde Inc., S.A.
- Wyde Solutions Canada Inc.
- Wyde Tunisie SARL

- (ii) are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
- (iii) give a true and fair view of the consolidated net profit and other financial information for the quarter ended 31 January, 2012.

5. Further, read with paragraph 1 above, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the consolidated number of shares as well as percentage of shareholdings in respect of aggregate amount of consolidated public shareholdings, as furnished by the Company in terms of clause 35 of the Listing Agreement and found the same to be correct.

Ramkishore S.
For S.R. Batliboi & Co.
Firm registration number: 301003F
Chartered Accountants

Nia
per Navin Agrawal
Partner
Membership No. 56102



Bangalore
01 March 2012

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S.R. BATLIBOI & Co.

Chartered Accountants

12th & 13th Floor
"UB City" Corporate Bldg
20/24, VittalMallya Rd
Bangalore-560 001, India
Tel: +91 80 4007 5000
Fax: +91 80 2210 6000

Auditor's Report on Quarterly Financial Results of Mphasis Limited Pursuant to the Clause 41 of the Listing Agreement

To
Board of Directors of Mphasis Limited

1. We have audited the quarterly financial results of Mphasis Limited ("the Company") for the quarter ended 31 January, 2012, attached herewith, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement, except for the disclosures regarding "Public Shareholding" and "Promoter and Promoter Group Shareholding" which have been raised from disclosures made by the management and have not been audited by us. These quarterly financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the Company's management and have been approved by the Board of Directors. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 23, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended), as per Section 211(3C) of the Companies Act, 1956 and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results:
 - i. are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
 - ii. give a true and fair view of the net profit and other financial information for the quarter ended 31 January, 2012.
4. Further, read with paragraph 1 above, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of clause 35 of the Listing Agreement and found the same to be correct.

S.R. Batliboi & Co.
For S.R. Batliboi & Co.
Firm registration number: 301003E
Chartered Accountants

Navin Agrawal
per Navin Agrawal
Partner
Membership No. 56102

Bangalore
01 March 2012



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Press Release



**Mphasis' Revenues Grew 4.1% to Rs. 1,367 Crores in Q1 FY2012
Net Profit increases by 1%**

Sustained momentum in Direct Business delivers 14.4% QoQ growth

Mphasis also announced the appointment of non-executive directors nominated by HP

Bangalore, 01 March 2012

Mphasis, a leading IT Services Company, today announced its financial results for the first quarter ended 31 January 2012.

Consolidated revenues for the first quarter ended 31 January 2012 were at ₹ 1,367 crores, an increase of 4.1% compared to ₹ 1,314 crores in the preceding quarter. Revenues were driven by strong above industry growth in the Direct Business which grew 14.4% sequentially and saw 17 client additions during the quarter. The HP/Direct channel mix shifted from 62:38 (Q4 FY2011) to 58:42 (Q1 FY2012). Operating margin for Q1 was at 15%, higher by 30 basis points compared to the sequentially preceding quarter. Operating and net profit for the quarter ended 31 January 2012 were at ₹ 205 crores (up 6.3% QoQ) and ₹ 185 crores (up 1% QoQ) respectively. EPS for the quarter was ₹ 8.80 up from ₹ 8.71 in the previous quarter.

Cash and cash equivalents increased by ₹ 116 crores during the quarter to reach ₹ 2,182 crores. Mphasis added 28 clients during the quarter with the Emerging Industries vertical seeing 17 new client additions.

"At the Nasscom Leadership summit 2012, theme of hyperspecialization and emerging markets was very evident; this was the transformation journey that we embarked on 15 months ago. Our Q1 results reflect our strategic thrust of growing direct business and business from emerging market. Our hyperspecialization journey is focused on enhancing quality of revenue through new platform based business model that leverages application service, business process outsourcing and platform strength." said **Ganesh Ayyar, Chief Executive Officer, Mphasis**

Mphasis also announced appointment of two non-executive directors nominated by Hewlett Packard.

Antonio F. Neri, Senior Vice President and General Manager, HP Technology Services

Antonio Neri, is responsible for leading worldwide HP Technology Services, a \$10.5B business segment of Hewlett Packard's Enterprise, Servers, Storage and Network (ESSN) division. HP Technology Services is an organization of 42,000 employees globally. In his management career at HP, Neri has established new services delivery capabilities in Europe, the Middle East and Africa and in the Americas, in support of both Imaging and Printing and Personal Computing products.

Ravichandran V, Vice President Global Business Services (GBS), Hewlett Packard

In his current role Ravi is responsible for developing HP's shared services strategy and its global operating model. His current scope of functions includes managing a multi-function shared service covering finance and accounting, human resources, supply chain, order management (product and services), marketing and communications. Prior to this he was the Head of GBS India.

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Press Release

**MPHASIS**
an HP company

About Mphasis

Mphasis is a \$1 billion global service provider, delivering technology based solutions to clients across the world. With currently over 38,000 employees, Mphasis services clients in Banking and Capital Markets, Insurance, Manufacturing, Communications, Media & Entertainment, Healthcare & Life Sciences, Transportation & Logistics, Retail & Consumer Packaged Goods, Energy & Utilities and Governments around the world. Our competency lies in our ability to offer integrated service offerings in Applications, Infrastructure Services and Business Process Outsourcing capabilities. We are uniquely positioned to offer our clients the highest level of expertise and competitive costs. To know more about Mphasis, log on to www.mphasis.com.

For further information please contact:

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