

Manager Listing

National Stock Exchange of India Limited
Bandra-Kurla Complex
Bandra (E)
Mumbai - 400 051

Dear Sir,

CHAIRMAN'S SPEECH AT THE 22nd ANNUAL GENERAL MEETING HELD ON 5 FEBRUARY 2014

We enclose herewith three copies of the Chairman's speech addressed to the shareholders at the 22nd Annual General Meeting held yesterday. The same has also been uploaded on the website of the Company.

This is for your information and records.

Thanking You,

Yours faithfully,
For **Mphasis Limited**


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



Encl: As above 

Chairman's Speech

Good afternoon Ladies and Gentlemen.

I am delighted to welcome all of you to the twenty second Annual General Meeting of your company. I would like to take this opportunity to thank you for your sustained support and presence here today.

Good news - Dividend

The Board of Directors has recommend a final dividend of INR 17 per equity share of INR 10 each for the year ended 31 October 2013, subject to your approval at the Meeting.

Highlights of the year gone by

Your Company has always been Customer-centric and responsive to changing Customer needs. In 2013, your Company made rapid strides in emerging technologies - formed a dedicated unit and made significant investments in Mobility and Data & Analytics. In the Mobility space, we launched Mobile Testing-as-a-Service covering Mobile Application Security Testing, an offering bundled with tools, processes and people in a pay-per-use model. In Digital Marketing, we are building solutions to address the Customer experience across channels ranging from mobility to web and social media. In the Analytics space, we are building Data Discovery and Visualization Centre of Excellence and co-investing with our key clients to build industry specific solutions.

We are happy to report that our strategy resonates with our Customers and continues to deliver results. In 2013, our direct business grew 38% year on year and we added 42 direct clients. The business mix between HP and Direct business shifted from 57:43 in 2012 to 44:56 in 2013 thereby, further reducing client concentration risk.

While driving growth, your Company has been equally focusing on sustaining profitability within the band. We have sustained our gross margins at 25.10%. This has been possible because your Company had taken several actions to improve the operational efficiencies. These included consolidation of real estate, better workforce pyramid management, lean initiative and increased utilization across all service lines.

Your Company has been active at Corporate Social Responsibility as well. This area has always been close to my heart. One of the key initiatives this year was the launch of 'KickStart – a cab service close to World Disability Day 2013.

The launch is a step towards making Bangalore a transportation friendly city for persons with disabilities and elderly thus addressing one of the major social issues of today. In the launch phase, KickStart Cabs has three re-modelled cars that enables people with mobility restrictions to smoothly use the vehicle and also has a GPS monitoring system to track the movement. Our partnership with a social enterprise is sustainable and can support the society at large. MphasiS continues to look for more such avenues that support socially vulnerable groups.

Here is a list of recognitions for your Company in the financial year 2013:

- EHS FM Zone Award 2013
- Disability Matters Award 2013 in the Marketplace category
- Ganesh Ayyar wins Thought Leader Award 2013
- Best eLearning Adopter & Best Front Line Manager Training by World HRD Congress
- Certified at level 3 of the People capability Maturity Model (PCMM)
- An award in the area for Digital Risk which I will talk about next

**Please turn overleaf**

We acquired Digital Risk in February 2013 to strengthen our capabilities in Mortgage Services in the US. During the year, we successfully completed the integration of Digital Risk and won 2 large deals with total contract value greater than \$ 200 Million. I am happy to announce that the acquisition of Digital Risk was recognized as the Financial Services Deal of the Year (over \$200mm) at 12th Annual M&A Advisor Awards. Our integration of Digital Risk into Mphasis is on track and we are delivering results as per expectations. One goal has been to look at best practices on both sides and preserve them.

A look at year ahead

As we look at the year ahead, we will continue to improve our Customer-centricity through strategic partnerships and drive growth in direct business. Towards this, we will;

- Expand service footprint in key clients by understanding their needs and aligning offerings that meets their business objectives.
- Enhance our focus and investments in strengthening key profitable portfolios (Testing, Enterprise Resource Planning, Customer Relationship Management, Mobility, Analytics and Platform Business Processing Outsourcing) to partner with our clients to drive growth, efficiency and customer-centricity.
- Transform delivery to enhance customer value and profitability - through innovation, tools & automation, LEAN and other cost optimization programs.
- Implement "Go-To-Market" transformation initiative aimed at driving higher sales productivity.
- Invest in grooming customer facing talent (delivery and Go-To-Market)

Your Company has witnessed early success in delivering above industry growth in our direct business over the last three years. We are confident of our strategy delivering our medium term goals. Your Company will continue to align with our Customer expectations, build relevant capabilities and engage with employees.

Your company today unveiled its new corporate brand- including a vibrant new logo that reflects the company's successful evolution into a highly differentiated, customer-focused company. I urge you to watch a video after the end of this Annual General Meeting for further details.

Thank you.

Chairman - 22nd Annual General Meeting

Friedrich Froeschl

