

Tech Mahindra Limited

Registered Office : Gateway Building, Apollo Bunder, Mumbai 400 001. Website : www.techmahindra.com.
Email : investor.relations@techmahindra.com. CIN : L64200MH1986PLC041370

Standalone Audited Financial Results for the quarter and year ended March 31, 2018

Rs. in Lakhs

	Particulars	Quarter ended			Year ended	
		March 31, 2018	December 31, 2017	March 31, 2017	March 31, 2018	March 31, 2017
1	Revenue from Operations	602,057	596,771	592,358	2,366,118	2,316,539
2	Other Income	40,168	19,071	15,857	173,068	89,294
3	Total Revenue (1 + 2)	642,225	615,842	608,215	2,539,186	2,405,833
4	EXPENSES					
	Employee Benefits Expense	202,287	202,041	198,256	810,646	774,438
	Subcontracting Expenses	225,282	231,890	228,128	901,292	875,689
	Finance Costs	1,672	1,790	1,195	7,080	6,379
	Depreciation and Amortisation Expense	17,976	17,011	17,764	65,617	62,221
	Other Expenses	64,982	64,286	85,764	263,902	299,233
	Total Expenses	512,199	517,018	531,107	2,048,537	2,017,960
5	Profit before Tax (3 - 4)	130,026	98,824	77,108	490,649	387,873
6	Tax Expense					
	Current Tax	27,839	18,064	11,524	93,161	72,300
	Deferred Tax	3,463	(3,064)	7,010	(2,442)	10,840
	Total Tax Expense	31,302	15,000	18,534	90,719	83,140
7	Profit after tax (5 - 6)	98,724	83,824	58,574	399,930	304,733
8	Other Comprehensive Income	(19,435)	8,169	16,000	(41,964)	27,209
9	Total Comprehensive Income (7 + 8)	79,289	91,993	74,574	357,966	331,942
10	Paid-up Equity Share Capital (Face Value of Share Rs. 5)	48,969	48,948	48,677	48,969	48,677
11	Total Reserves				1,905,136	1,640,344
12	Earnings Per Equity Share (Rs) (EPS for quarter ended periods is not annualised)					
	- Basic	10.08	8.59	6.03	40.84	31.37
	- Diluted	10.01	8.51	5.95	40.53	30.94

Notes :

1 The quarterly and yearly results have been reviewed by the Audit Committee and taken on record by the Board of Directors in its meeting held on May 25, 2018.

2 The Board of Directors has recommended a final dividend of Rs. 14/- per share on face value of Rs. 5/- (280%).

3 Certain matters relating to erstwhile Satyam Computer Services Limited (erstwhile Satyam):

Subsequent to the letter dated January 7, 2009, due to the confession of the then Chairman of erstwhile Satyam with respect to fraud, various regulators/investigating agencies such as the Serious Fraud Investigation Office (SFIO)/Registrar of Companies (ROC), Directorate of Enforcement (ED), Central Bureau of Investigation (CBI) had initiated investigations on various matters and conducted inspections / issued notices calling for information which have been responded to. Certain non-compliances/breaches of laws and regulations by the erstwhile Satyam under the former Management (prior to Government nominated Board) were identified by various agencies which have been responded to/appropriately addressed by the erstwhile Satyam/the Company and the Company does not expect any further proceedings in this regard.

Proceedings in relation to 'Alleged Advances':

Pursuant to the aforesaid letter dated January 7, 2009, the erstwhile Satyam received letters from 37 companies seeking confirmation by way of acknowledgement of receipt of certain alleged amounts by the erstwhile Satyam (referred to as 'alleged advances'). These letters were followed by legal notices from them, claiming repayment of the alleged advances aggregating Rs. 123,040 Lakhs stated to be given as temporary advances but without any evidence in support of the nature of these transactions. The legal notices also claimed damages/compensation @18% per annum from the date of the advances till the date of repayment. The erstwhile Satyam has not acknowledged any liability to any of the 37 companies and has replied to the legal notices stating that the claims are legally untenable.

The 37 companies have filed petitions/suits for recovery against the erstwhile Satyam before the City Civil Court, Secunderabad (Court), with a prayer that these companies be declared as indigent persons for seeking exemption from payment of requisite court fees. Further, they have filed appeals before the Division Bench of the Honorable High Court of Andhra Pradesh, against the Orders of the Honorable High Court of Andhra Pradesh and the Honorable High Court of Judicature at Bombay sanctioning the scheme of merger of erstwhile Satyam with the Company w.e.f. April 1, 2011, which are yet to be heard. One of the aforesaid companies has also appealed against the Order rejecting the Petition for winding-up of the erstwhile Satyam. These matters have been combined for hearing.

The Directorate of Enforcement (ED) while investigating the matter under the Prevention of Money Laundering Act, 2002 (PMLA) had directed the erstwhile Satyam not to return the alleged advances until further instructions. In furtherance to the investigation, certain fixed deposits of the Company with certain banks, then aggregating to Rs. 82,200 Lakhs were alleged by ED to be 'proceeds of crime' and were provisionally attached vide Order dated October 18, 2012 by the ED (the Order). The Honorable High Court of Andhra Pradesh (the Court) had, pending further Orders, granted stay of the said Order and all proceedings thereto vide its Order dated December 11, 2012. The ED had challenged this interim Order passed by the Single Judge before the Division Bench of the Court. Vide order dated December 31, 2014, the Honorable High Court upon hearing the matter, has dismissed the Appeal filed by ED and affirmed the Stay granted by the Single Judge. Consequently, out of the aforesaid fixed deposits which were attached, fixed deposits aggregating Rs 35,700 Lakhs have been redeemed. Certain banks have not honored the redemption claim and the Company is pursuing the matter legally.

In view of the aforesaid developments and also on an independent legal opinion the Management believes that the claim by the 37 companies for repayment of the alleged advances, including interest thereon is not legally tenable. Consequently, pending the final outcome of the proceedings, as a matter of prudence, the Company has accounted and disclosed the amount of Rs. 123,040 Lakhs as 'Suspense Account (net)'. Although remote, in the event that these cases are decided against the Company, there would be no effect on the financial results or financial position of the Company.

4 During the year, the Company, in accordance with the shareholders agreement, acquired an additional 32.07% stake in Comviva Technologies Limited from Bharati Group and Westbridge Ventures II Investment Holdings for a total consideration of Rs. 36,188 Lakhs and 0.68% stake from Comviva ESOP Trust for a consideration of Rs. 700 Lakhs respectively. As a result of this, the Company now holds 99.85% stake in Comviva Technologies Limited as on March 31, 2018.

5 Tax expense for the Quarter Ended ("QE") March 31, 2018 is net of excess provision of Rs. 1,129 Lakhs of earlier periods, no longer required, written back (QE December 31, 2017: Rs. 13,625 Lakhs; QE March 31, 2017: Rs. 596 Lakhs).
Tax expense for the year ended March 31, 2018 is net of excess provision of Rs. 18,056 Lakhs of earlier periods, no longer required, written back (year ended March 31, 2017: Rs. 6,322 Lakhs).

6 The Standalone Financial Results of the Company for the quarter and year ended March 31, 2017, were audited by the predecessor auditor firm who, vide its report dated May 26, 2017, expressed an unmodified opinion on those Standalone Financial Results.



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Standalone Audited Financial Results for the quarter and year ended March 31, 2018

Audited Standalone Balance Sheet

Particulars	Rs. in Lakhs	
	As at March 31, 2018	As at March 31, 2017
Non-Current Assets		
(a) Property, Plant and Equipment	223,787	242,755
(b) Capital Work-in-Progress	23,541	36,184
(c) Investment Property	12,890	4,552
(d) Intangible Assets	86,360	2,510
(e) Financial Assets		
(i) Investments	686,498	574,761
(ii) Trade Receivables	-	-
(iii) Loans	-	7,435
(iv) Other Financial Assets	21,332	42,692
(f) Advance Income Taxes (Net of provisions)	125,730	98,177
(g) Deferred Tax Assets (Net)	27,504	2,493
(h) Other Non-Current Assets	38,168	48,834
Total Non - Current Assets	1,245,810	1,060,393
Current Assets		
(a) Financial Assets		
(i) Investments	324,306	196,880
(ii) Trade Receivables	507,003	457,169
(iii) Cash and Cash Equivalents	88,821	97,168
(iv) Other Balances with Banks	104,114	111,217
(v) Loans	35,088	51,738
(vi) Other Financial Assets	222,527	217,463
(b) Other Current Assets	152,212	178,598
	1,434,071	1,310,233
Assets held-for-sale	-	2,652
Total Current Assets	1,434,071	1,312,885
TOTAL ASSETS	2,679,881	2,373,278
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	48,970	48,677
(b) Other Equity	1,905,136	1,640,344
Total Equity	1,954,106	1,689,021
Liabilities		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	14,499	17,420
(ii) Other Financial Liabilities	46,124	35,910
(b) Provisions	39,541	38,401
Total Non - Current Liabilities	100,164	91,731
Current liabilities		
(a) Financial Liabilities		
(i) Trade Payables	203,143	221,120
(ii) Other Financial Liabilities	91,933	52,876
(b) Other Current Liabilities	115,296	109,189
(c) Provisions	23,821	23,579
(d) Current Tax Liabilities (Net)	68,378	62,722
Total Current Liabilities	502,571	469,486
Suspense Account (Net)	123,040	123,040
TOTAL EQUITY AND LIABILITIES	2,679,881	2,373,278

7 Previous period's figures have been regrouped wherever necessary.

8 Emphasis of Matter

The Emphasis of Matter in the Auditor's Report pertains to the following:

With relation to Note 3 in respect of certain matters relating to erstwhile Satyam Computer Services Limited (erstwhile Satyam), amalgamated with the Company with effect from April 1, 2011 which are discussed below:

Certain non-compliances and breaches of laws and regulations by the erstwhile Satyam under the former Management (prior to Government nominated Board) identified by the various agencies have been responded to/appropriately addressed in earlier years and no further communication has been received by the Company on these matters and with the passage of time, the Company does not expect any further proceedings in this regard.

The Company's management, on the basis of external legal opinion, as more fully described in Note 3, has concluded that (i) claims made by 37 companies in the City Civil Court for alleged advances amounting to Rs. 123,040 Lakhs made by these companies to erstwhile Satyam should be presented separately under 'Suspense account (net)' and (ii) the claims to these advances filed by Enforcement Directorate under the Prevention of Money Laundering Act in the High Court of Andhra Pradesh will not sustain on ultimate resolution by the respective Courts.

9 Management response to Emphasis of Matter:

With regard to the Emphasis of Matter stated in Note 8 above, there are no additional developments on the Emphasis of Matter mentioned which require adjustments to the financial results.

Date : May 25, 2018
Place : Mumbai

C. P. Gurnani
Managing Director & CEO

