

Revenue for the Year at Rs. 347,421 Mn, up 12.9% over previous year						
Tech Mahindra Limited						
Registered Office : Gateway Building, Apollo Bunder, Mumbai 400 001. Website : www.techmahindra.com.						
Email : investor.relations@techmahindra.com. CIN : L64200MH1986PLC041370						
Consolidated Audited Financial Results for the quarter and year ended March 31, 2019						
Rs.in Million						
	Particulars	Quarter ended			Year ended	
		March 31, 2019	December 31, 2018	March 31, 2018	March 31, 2019	March 31, 2018
1	Revenue from Operations	88,923	89,437	80,545	347,421	307,729
2	Other Income	1,671	806	4,513	5,342	14,165
3	Total Revenue (1 + 2)	90,594	90,243	85,058	352,763	321,894
4	EXPENSES					
	Employee Benefits Expense	43,071	45,182	41,453	175,079	166,240
	Subcontracting Expenses	11,739	10,900	10,639	43,497	38,880
	Finance Costs	281	358	527	1,332	1,624
	Depreciation and Amortisation Expense	2,704	2,836	2,986	11,292	10,850
	Other Expenses	17,726	16,129	14,334	65,476	55,513
	Total Expenses	75,521	75,405	69,940	296,676	273,107
5	Profit before share in profit/(loss) of associates and tax (3-4)	15,073	14,838	15,118	56,087	48,787
6	Share of Profit / (Loss) of Associates	(272)	(132)	0	(655)	1
7	Profit before Tax (5 + 6)	14,801	14,706	15,118	55,432	48,788
8	Tax Expense					
	Current Tax	4,270	2,135	3,501	13,786	11,768
	Deferred Tax	(735)	503	(691)	(1,242)	(842)
	Total Tax Expense	3,535	2,638	2,810	12,544	10,926
9	Profit after tax (7 - 8)	11,266	12,068	12,308	42,888	37,862
	Profit for the period attributable to:					
	Owners of the Company	11,325	12,029	12,220	42,976	37,998
	Non Controlling Interests	(59)	39	88	(88)	(136)
10	Other Comprehensive Income	824	2,503	(701)	2,426	(2,190)
11	Total Comprehensive Income (9 + 10)	12,090	14,571	11,607	45,314	35,672
	Total Comprehensive Income for the period attributable to:					
	Owners of the Company	12,239	14,578	11,418	45,376	35,519
	Non Controlling Interests	(149)	(7)	189	(62)	153
12	Paid-up Equity Share Capital (Face Value of Share Rs. 5)	4,437	4,425	4,417	4,437	4,417
13	Total Reserves				198,407	184,011
14	Earnings Per Equity Share (Rs)					
	(EPS for the quarter ended periods is not annualised)					
	Basic	12.77	13.55	13.84	48.47	43.02
	Diluted	12.58	13.45	13.72	47.72	42.66
Standalone Information						
Particulars	Quarter ended			Year ended		
	March 31, 2019	December 31, 2018	March 31, 2018	March 31, 2019	March 31, 2018	
Revenue from Operations	70,646	69,897	60,261	272,196	236,922	
Profit before Tax	12,915	13,848	12,895	54,273	49,002	
Profit after Tax	9,811	11,529	9,778	43,804	39,939	
Primary Segments						
The Company identifies its Primary Business Segments based on the type of services offered, i.e. IT Services & BPO services.						
Segment wise Revenue, Results and Capital Employed						
Particulars	Quarter ended			Year ended		
	March 31, 2019	December 31, 2018	March 31, 2018	March 31, 2019	March 31, 2018	
Segment Revenue						
a) IT	81,077	81,895	74,637	319,235	285,715	
b) BPO	7,846	7,542	5,908	28,186	22,014	
Total Sales / Income from operations	88,923	89,437	80,545	347,421	307,729	
Segment Profit before tax, interest and depreciation						
a) IT	15,295	15,800	12,896	58,138	42,995	
b) BPO	1,091	1,426	1,223	5,231	4,091	
Total	16,386	17,226	14,119	63,369	47,096	
Less:						
(i) Finance costs	281	358	527	1,332	1,624	
(ii) Other un-allocable expenditure, net off un-allocable income	1,032	2,030	(1,526)	5,950	(3,315)	
(iii) Share of Profit / (Loss) of Associates	(272)	(132)	0	(655)	1	
Profit before tax	14,801	14,706	15,118	55,432	48,788	



	Rs.in Million		
Statement of segment Assets and Liabilities	March 31, 2019	December 31, 2018	March 31, 2018
Segment Assets			
Trade and Other Receivables			
IT	94,141	96,483	84,461
BPO	7,348	7,884	6,182
Total Trade Receivables	101,489	104,367	90,643
Goodwill			
IT	24,418	24,695	23,982
BPO	3,745	3,745	3,745
Total Goodwill	28,163	28,440	27,727
Unallocable Assets	204,817	193,372	186,002
TOTAL ASSETS	334,469	326,179	304,372
Segment Liabilities			
Unearned Revenue			
IT	2,453	2,972	2,752
BPO	39	34	-
Total Unearned Revenue	2,492	3,006	2,752
Advance from Customers			
IT	3,314	3,306	3,336
BPO	648	651	-
Total Advance from Customers	3,962	3,957	3,336
Unallocable Liabilities	120,394	106,156	104,765
TOTAL LIABILITIES	126,848	113,119	110,853

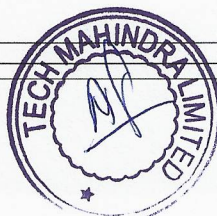
i) Segmental Capital Employed

Segregation of assets into primary segments has been done to the extent applicable. Segregation of balance assets and liabilities into various primary segments has not been done as these are used interchangeably between segments. Accordingly no disclosure relating to such has been made.

ii) The management allocates certain indirect expenses to operating segments. During the current year, management has allocated certain additional indirect expenses, which were previously reported as unallocable, to operating segments. This change in allocation is also reflected in prior period comparatives.

Audited Consolidated Balance Sheet

	Rs. Million	
Particulars	As at March 31, 2019	As at March 31, 2018
ASSETS		
Non-Current Assets		
(a) Property, Plant and Equipment	26,229	29,810
(b) Capital Work-in-Progress	2,763	2,399
(c) Investment Property	1,708	1,906
(d) Goodwill	28,163	27,727
(e) Intangible Assets	14,512	16,781
(f) Investment accounted using Equity method	361	1,010
(g) Financial Assets		
(i) Investments	7,159	11,448
(ii) Trade Receivables	63	138
(iii) Loans	43	52
(iv) Other Financial Assets	4,785	2,468
(g) Advance Income Taxes (Net of provisions)	21,397	17,775
(h) Deferred Tax Assets (Net)	6,091	5,766
(i) Other Non-Current Assets	5,537	6,022
Total Non - Current Assets	118,811	123,302
Current Assets		
(a) Inventories	752	659
(b) Financial Assets		
(i) Investments	65,899	35,949
(ii) Trade Receivables	69,586	64,979
(iii) Cash and Cash Equivalents	20,427	19,661
(iv) Other Balances with Banks	3,160	10,782
(v) Other Financial Assets	29,064	29,521
(c) Other Current Assets	26,770	19,519
Total Current Assets	215,658	181,070
TOTAL ASSETS	334,469	304,372
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	4,437	4,417
(b) Other Equity	198,407	184,011
Equity Attributable to Owners of the Company	202,844	188,428
Non controlling Interest	4,777	5,091
Total Equity	207,621	193,519
Liabilities		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	2,086	7,711
(ii) Other Financial Liabilities	3,009	5,729
(b) Provisions	5,801	5,551
(c) Deferred tax liabilities (Net)	11	58
(c) Other Non-Current Liabilities	325	333
Total Non - Current Liabilities	11,232	19,382
Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	11,961	9,549
(ii) Trade Payables	24,893	20,368
(iii) Other Financial Liabilities	34,726	20,063
(b) Other Current Liabilities	17,605	15,778
(c) Provisions	3,952	4,030
(d) Current Tax Liabilities (Net)	10,175	9,379
Total Current Liabilities	103,312	79,167
Suspense Account (Net)	12,304	12,304
Total Equity and Liabilities and Suspense Account	334,469	304,372



Notes :

1 The quarterly and yearly financial results have been reviewed by the Audit Committee and taken on record by the Board of Directors in its meeting held on May 21, 2019.

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

3 The Board of Directors of Tech Mahindra Limited ('the Company') at its meeting held on February 21, 2019 approved a proposal to buyback upto 20,585,000 equity shares of the Company for an aggregate amount not exceeding Rs. 19,556 Million being 2.09% of the total paid up equity share capital at Rs. 950 per equity share. Letter of Offer was issued to all eligible shareholders holding shares as on March 6, 2019. The period for tendering of shares for buyback was from March 25, 2019 to April 5, 2019. The intimation regarding acceptance or non-acceptance of tendered equity shares to the stock exchange was made on April 12, 2019, the bids were settled and payment was made to shareholders on April 15, 2019. The unaccepted shares were returned to eligible shareholders on April 16, 2019. Pursuant to the issuance of Letter of Offer, the Company has recorded a payable of Rs. 17,879 Million as at March 31, 2019 as contractual financial liability to external shareholders.

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

Proceedings in relation to 'Alleged Advances':

Erstwhile Satyam with respect to fraud, 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 to Rs. 12,304 Million 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), of which 1 petition has been converted into a suit and the balance 36 petitions are at various stages of pauperism/suit admission. Further, they have filed appeals before the Division Bench of the Hon'ble High Court of Andhra Pradesh, against the Orders of the Hon'ble High Court of Andhra Pradesh and the Hon'ble High Court of 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. 8,220 Million 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 Hon'ble High Court of Judicature at Hyderabad ('the Court') granted stay of the said Order and all proceedings thereto vide its order dated December 11, 2012. Thereafter, the Court, vide its Order dated December 31, 2018 set aside the provisional attachment Order of ED dated October 18, 2012 and directed the banks to release the fixed deposits of the Company. Accordingly, these fixed deposits have been released by the banks.

In view of the aforesaid developments and based on an external 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. 12,304 Million as 'Suspense Account (net)'.

5 Satyam Venture Engineering Services Private Limited (SVES)

Accounting for sales commission

The Company carries a contingency provision in the books representing provision with respect to sales commission, if any, payable to Venture Global LLC for the period from financial year 2005-2006 to 2011-2012 amounting to Rs. 529 Million.

During the financial year 2011-2012, the Board of SVES reassessed the need to accrue sales commission considering that no services were rendered by Venture Global LLC during the period from FY 2005-2006 to FY 2011-2012. Accordingly, the Board of SVES decided to write back sales commission amounting to Rs. 359 Million pertaining to the years from FY 2005-2006 to FY 2010-2011 and to not accrue for sales commission for FY 2011-2012 amounting to Rs. 170 Million. However, pending the final disposal of legal proceedings in relation to disputes between Tech Mahindra Ltd and Venture Global LLC, the Board decided to account for a contingency provision for the sales commission amounting to Rs. 529 Million covering the period from FY 2005-2006 to FY 2011-2012. Considering the Order of the Hon'ble High Court of Andhra Pradesh dated August 23, 2013 directing all parties to maintain status quo, the Board based on a legal opinion decided not to reverse the contingency provision made in FY 2011-2012. Further, since the matter is subjudice, sales commission for subsequent periods has been disclosed as a contingent liability amounting to Rs. 1,784 Million as on March 31, 2019 (March 31, 2018: Rs. 1,446 Million).

Preparation of financial statements

At the Annual General Meetings of SVES held on October 29, 2012, September 10, 2013, September 22, 2014, September 07, 2015, July 29, 2016, July 19, 2017 and July 23, 2018 one of the shareholders abstained from voting on the resolution for adoption of audited financial statements as at and for the years ended March 31, 2012, March 31, 2013, March 31, 2014, March 31, 2015, March 31, 2016, March 31, 2017 and March 31, 2018 respectively. In the absence of unanimous consent of both the shareholders of SVES, the said financials have not been approved.

The financial statements as at and year ended March 31, 2019 have been drawn up incorporating the opening balances based on above said financial statements which have not been adopted by the Shareholders. Adjustments required, if any, will be made in accounts as and when determined.

6 Effective April 1, 2018, the Company has adopted Ind AS 115 using the cumulative effect method. The standard is applied retrospectively to contracts that are not completed as at the date of initial application and the comparative information is not restated. The effect of adoption of the standard did not have any significant impact on the financial statements of the Company.

7 Tax expense for the Quarter Ended ("QE") March 31, 2019 is net of excess provision of Rs. Nil of earlier periods, no longer required, written back (QE December 31, 2018: Rs. 1,351 Million; QE March 31, 2018: Rs. 43 Million).
Tax expense for the year ended March 31, 2019 is net of excess provision of Rs. 3,032 Million of earlier periods, no longer required, written back (year ended March 31, 2018: Rs. 2,573 Million).

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

9 Emphasis of Matters

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

(i) With relation to Note 4 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 is discussed below:

The Company's management, on the basis of current legal status and external legal opinion, has concluded that claims made by 37 companies in the City Civil Court for alleged advances amounting to Rs. 12,304 Million made by these companies to erstwhile Satyam and presented separately under 'Suspense account (net)', will not sustain on ultimate resolution by the Court.

(ii) With relation to Note 5 in case of one of the subsidiaries of the Group, the other auditors in their auditor's report have drawn attention to a possible charge, that may arise in respect of the on-going dispute which is currently sub-judice between the promoters of the subsidiary on various issues relating to the shareholders agreement, the outcome of which is not determinable at this stage. Further, the auditors have drawn attention to the fact that the annual financial statements for the years ended from March 31, 2012 to March 31, 2018 have not been adopted by the members of that subsidiary in their respective annual general meetings in the absence of unanimous consent of both the shareholders in terms of the Articles of Association of the subsidiary company. The financial statements as at and for the quarter and year ended March 31, 2019 have been drawn up incorporating the opening balances based on the above mentioned financial statements which have not been adopted by the shareholders of the subsidiary company. Adjustments to the opening balances, if any, will be made in the financial statements as and when determined.

10 Management response to Emphasis of Matters:

With regard to the Emphasis of Matters stated in Note 9 above, there are no additional developments on Emphasis of Matters mentioned in Notes 4 and 5 above which require adjustments to the financial results.

11 The figures for the quarter ended March 31, 2019 and the corresponding quarter ended in the previous year as reported in these consolidated financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the relevant financial year.

12 The Financial Results have been made available to the Stock Exchanges where the Company's securities are listed and are posted on the Company's website (www.techmahindra.com).

Date : May 21, 2019
Place : Mumbai



[Signature]
C.P. Gurnani
Managing Director & CEO