Revenue for the year at Rs.226,213 Mn, up 20% over previous year

Tech Mahindra Limited

Registered Office : Gateway Building, Apollo Bunder, Mumbai 400 001. Website : techmahindra.com.
Email : investor.relations@techmahindra.com. CIN : L64200MH1986PLCO41370

Consolidated Audited Financial Results for the quarter and year ended March 31, 2015

PART I — Rs. in Lakhs

Particulars	Quarter ended			Year ended	
	March 31, 2015	December 31, 2014	March 31, 2014	March 31, 2015	March 31, 2014
	(Refer Note 18)		(Refer Note 18)		
1 Income from Operations	611,679	575,170	505,811	2,262,127	1,883,138
2 Expenses					
a) Employee benefits expense	325,583	295,840	263,658	1,191,374	973,550
b) Travelling Expenses	24,669	19,044	20,615	89,602	79,807
c) Services rendered by Business Associates & Others	78,614	76,122	51,658	283,427	171,142
d) Depreciation and amortisation expense	17,211	14,412	14,294	61,138	52,218
e) Other expenses	89,965	68,154	62,695	282,438	240,265
Total Expenses	536,042	473,572	412,920	1,907,979	1,516,982
3 Profit from operations before other income and finance costs (1-2)	75,637	101,598	92,891	354,148	366,156
4 Other Income					
Miscellaneous income	8,880	5,463	8,039	32,986	31,378
Exchange (loss) (net)	(15,409)	(3,559)	(16,702)	(22,338)	(20,074)
Total	(6,529)	1,904	(8,663)	10,648	11,304
5 Profit before finance costs (3+4)	69,108	103,502	84,228	364,796	377,460
6 Finance costs					
Interest Cost on Borrowings	1,771	390	982	2,984	7,013
Currency Translation Loss / (Gain) on Foreign Currency Loan	-	-	-	-	975
Total	1,771	390	982	2,984	7,988
7 Profit after finance costs but before exceptional item and tax (5-6)	67,337	103,112	83,246	361,812	369,472
8 Exceptional item - Income (Refer Note 5)	-	-	-	-	12,000
9 Profit before tax (7+8)	67,337	103,112	83,246	361,812	381,472
10 Tax expense					
a) Current Tax & Deferred Tax	18,447	25,121	20,913	95,956	97,894
b) Earlier years excess provision written back (refer note 4.4)	-	-	-	-	(22,660)
11 Profit after Tax but before Share in Profit/ (Loss) of Associates and Minority Interest (9-10)	48,890	77,991	62,333	265,856	306,238
12 Share in Profit/(Loss) of Associates	14	-	-	14	-
13 Minority Interest	(1,703)	(314)	(912)	(3,103)	(3,357)
14 Profit after tax (11+12+13)	47,201	77,677	61,421	262,767	302,881
15 **Special Adjustments (Refer Note 6.3)**					
Profit earned by MESL from April 1, 2014 to September 30, 2014	-	2,853	-	-	-
16 Net Profit After Special Adjustments (14+15)	47,201	80,530	61,421	262,767	302,881
17 Paid-up Equity Share Capital (Face Value of Share Rs. 5) (refer note no.14)	48,039	23,998	23,347	48,039	23,347
18 Loan Funds - Listed Debentures	-	-	30,000	-	30,000
19 Reserves excluding revaluation reserve	-	-	-	1,164,675	918,070
20 Debenture Redemption Reserve	-	-	-	-	29,721
21 Earnings Per Equity Share (Rs) (Before exceptional item) (not annualised) (Refer Note No.14)					
- Basic	4.93	8.42	6.60	27.46	31.27
- Diluted	4.80	8.19	6.43	26.74	30.44
22 Earnings Per Equity Share (Rs) (After exceptional item) (not annualised) (Refer Note No.14)					
- Basic	4.93	8.42	6.60	27.46	32.56
- Diluted	4.80	8.19	6.43	26.74	31.70
23 Ratios					
- Debt Equity Ratio	-	-	-	-	0.04
- Debt Service Coverage Ratio (DSCR)	-	-	-	-	2.08
- Interest Service Coverage Ratio (ISCR)	-	-	-	-	45.84

Note: Suggested definition for Coverage Ratios:
ISCR = Earnings before Interest and Tax / Interest Expense.
DSCR = Earnings before Interest and Tax/ (Interest + Principal Repayment)
See accompanying note to the financial results

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Consolidated Audited Financial Results for the quarter and year ended March 31, 2015

PART II : Selected Information for the Quarter and year ended March 31, 2015

Particulars	Quarter ended			Year ended	
	March 31, 2015	December 31, 2014	March 31, 2014	March 31, 2015	March 31, 2014
A PARTICULARS OF SHAREHOLDING					
1 Public Shareholding					
- Number of shares	608095400	151806238	148735908	608095400	148735908
- Percentage of shareholding	63.29%	63.26%	63.71%	63.29%	63.71%
2 Promoters and promoter group Shareholding					
a) 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)	-	-	-	-	-
b) Non-encumbered					
- Number of shares	352693512	88173378	84736978	352693512	84736978
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	36.71%	36.74%	36.29%	36.71%	36.29%

Particulars	3 months ended March 31, 2015
B. INVESTORS COMPLAINTS	
Pending at the beginning of the quarter	0
Received during the quarter	14
Disposed of during the quarter	14
Remaining unresolved at the end of the quarter	0

Stand-Alone Information (Audited) **Rs. in Lakhs**

Particulars	Quarter ended			Year ended	
	March 31, 2015	December 31, 2014	March 31, 2014	March 31, 2015	March 31, 2014
Income from Operations	470,715	503,481	437,024	1,916,265	1,629,513
Profit before tax	51,613	87,667	66,419	293,046	323,784
Profit after tax	42,900	71,077	52,334	225,623	268,547

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 **Rs. in Lakhs**

Particulars	Quarter ended			Year ended	
	March 31, 2015	December 31, 2014	March 31, 2014	March 31, 2015	March 31, 2014
Segment Revenue					
a) IT	565,957	525,436	457,995	2,076,218	1,701,390
b) BPO	45,722	49,734	47,816	185,909	181,748
Total	**611,679**	**575,170**	**505,811**	**2,262,127**	**1,883,138**
Less: Inter Segment Revenue	-	-	-		
Net Sales / Income from operations	**611,679**	**575,170**	**505,811**	**2,262,127**	**1,883,138**
Segment Profit before tax, interest and depreciation					
a) IT	121,306	138,975	131,670	521,447	510,578
b) BPO	15,999	17,005	16,819	63,143	59,843
Total	**137,305**	**155,980**	**148,489**	**584,590**	**570,421**
Less:					
(i) Finance costs	1,771	390	982	2,984	7,988
(ii) Other un-allocable expenditure Net off un-allocable income	68,197	52,478	64,261	219,794	180,961
Profit before tax	**67,337**	**103,112**	**83,246**	**361,812**	**381,472**
Segmental Capital Employed		-	-		-

Segregation of assets, liabilities, depreciation and other non-cash expenses into various primary segments has not been done as the assets are used interchangeably between segments. Accordingly no disclosure relating to Segmental assets and liabilities has been made.

Notes :

1. The quarterly and yearly results have been reviewed by the Audit Committee and taken on records by the Board of Directors in its meeting held on May 26, 2015.
2. The Board of Directors have recommended a final dividend of Rs.6 per share on par value of Rs.5 (120 %).
3. **Scheme of Amalgamation and Arrangement:**

Pursuant to the Scheme of Amalgamation and Arrangement (the "Scheme") sanctioned by the Honorable High Court of Andhra Pradesh vide its order dated June 11, 2013 and the Honorable High Court of Judicature at Bombay vide its order dated September 28, 2012, Venturbay Consultants Private Limited ("Venturbay"), CanvasM Technologies Limited ("CanvasM") and Mahindra Logisoft Business Solutions Limited ("Logisoft"), the wholly owned subsidiaries of the Company, and Satyam Computer Services Limited ("Satyam") an associate of the Company (through Venturbay) and C&S System Technologies Private Limited (C&S) a wholly owned subsidiary of erstwhile Satyam, merged with the Company with effect from April 1, 2011 (the "appointed date"). The Scheme came into effect on June 24, 2013, the day on which both the orders were delivered to the Registrar of the Companies, and pursuant thereto the entire business and all the assets and liabilities, duties and obligations of Satyam, Venturbay, CanvasM, Logisoft and C&S have been transferred to and vested in the Company with effect from April 1, 2011.

The Company transferred, out of its total holding in Satyam as on April 1, 2011, 2040 Lakhs equity shares to a Trust, to hold the shares and any additions or accretions thereto exclusively for the benefit of the Company. The balance shares held by the Company in Satyam have been cancelled.

As the other amalgamating companies i.e. Venturbay, Logisoft, CanvasM and C&S were wholly owned subsidiaries of the Company / Satyam, as applicable, no equity shares were exchanged to effect the amalgamation in respect thereof.

These amalgamations with the Company are non-cash transactions.

Pursuant to the Scheme, the title deeds for the immovable properties pertaining to the amalgamating companies are pending conveyance in the name of the Company. Further, the Company has initiated the name change formalities to transfer the title in respect of the other properties, contracts etc.

3.1 Appeals against the order sanctioning the Scheme

Appeals against the order by the single judge of the Honorable High Court of Andhra Pradesh approving the Scheme of merger have been filed by 37 companies before the Division Bench of the Honorable High Court of Andhra Pradesh. No interim orders have been passed and the appeals are pending hearing.

One of the said company has also appealed against the order of the single judge rejecting the Petition for winding up of erstwhile Satyam. The matter has been combined with the above appeals for hearing.

4. Matters pertaining to erstwhile Satyam Computer Services Limited (erstwhile Satyam):

4.1 Investigation by authorities in India

In the letter of January 7, 2009 (the “letter”) of Mr. B. Ramalinga Raju, the then Chairman of erstwhile Satyam, admitted that the Balance Sheet of erstwhile Satyam as at September 30, 2008 carried an inflated cash and bank balances, non-existent accrued interest, an understated liability and an overstated debtors position. Consequently, various regulators/ investigating agencies such as the Central Bureau of Investigation (CBI), Serious Fraud Investigation Office (SFIO) / Registrar of Companies (ROC), Directorate of Enforcement (ED), etc., had initiated their investigation on various matters. On April 09, 2015, the Special Session Court in its judgment has sentenced rigorous imprisonment to B. Ramlinga Raju including others for offence punishable under various sections of Indian Penal Code.

On May 22, 2013, the ED has issued a show-cause notice to erstwhile Satyam for contravention of provisions of the Foreign Exchange Management Act, 1999 (FEMA) for alleged non-repatriation of ADS proceeds aggregating USD 39.2 Million. The Company has responded to the show-cause notice.

Certain agencies viz., SFIO and ED, pursuant to the matters stated above, had conducted inspections and issued notices calling for information from certain subsidiaries which have been responded/in the process of being responded to. In furtherance to the investigation of erstwhile Satyam, certain Regulatory Agencies in India sought assistance from Overseas Regulators and accordingly, sought information from certain overseas subsidiaries.

As per the assessment of the Management, based on the forensic investigation and the information available up to this stage, all identified/required adjustments/ disclosures arising from the identified financial irregularities, had been made in the financial statements of erstwhile Satyam as at March 31, 2009.

Considerable time has elapsed after the initiation of investigation by various agencies and erstwhile Satyam had not received any further information as a result of the various ongoing investigations against erstwhile Satyam which required adjustments to the financial statements.

Further, in the opinion of the Management, no new claims have been made when the Andhra Pradesh High Court considered and approved the merger, which need any further evaluation/ adjustment/disclosure in the books, and all existing claims have been appropriately dealt with/recorded/disclosed in the books based on their current status.

Considering the above, notwithstanding the pendency of the various investigations/ proceedings, the Management is of the view that the above investigations/proceedings would not result in any additional material provisions/ write-offs/adjustments (other than those already provided for, written-off or disclosed) in the financial statements of the Company.

4.2 Forensic investigation and nature of financial irregularities

Consequent to the aforesaid letter, the Government nominated Board of Directors of erstwhile Satyam appointed an independent counsel ("Counsel") to conduct an investigation of the financial irregularities. The Counsel appointed forensic accountants to assist in the investigation (referred to as “forensic investigation”) and preparation of the financial statements of erstwhile Satyam.

The forensic investigation conducted by the forensic accountants investigated accounting records to identify the extent of financial irregularities and mainly focused on the period from April 1, 2002 to September 30, 2008, being the last date up to which erstwhile Satyam published its financial results prior to the date of the letter. In certain instances, the forensic accountants conducted investigation procedures outside this period.

The forensic investigation had originally indicated possible diversion aggregating USD 41 Million from the proceeds of the American Depositary Shares (ADS) relating to erstwhile Satyam. The amount was revised to USD 19 Million based on the further details of utilisation of ADS proceeds obtained by erstwhile Satyam.

The overall impact of the fictitious entries and unrecorded transactions arising out of the forensic investigation, to the extent determined was accounted in the financial statements for the financial year ended March 31, 2009 of erstwhile Satyam.

Based on the forensic investigation, an aggregate amount of Rs. 113932 Lakhs (net debit) was identified in the financial statements of erstwhile Satyam as at March 31, 2009 under “Unexplained differences suspense account (net)” comprising of fictitious assets, unrecorded loans or where complete information is not available. On grounds of prudence, these amounts had been provided for by erstwhile Satyam in the financial year ended March 31, 2009 and since there is no further information available with the Management even after the lapse of more than four years, the said amount has been completely written off in the books of account of the Company during the year ended March 31, 2014.

The forensic investigation was unable to identify the nature of certain alleged transactions aggregating Rs. 123040 lakhs (net receipt) against which erstwhile Satyam had received legal notices from 37 companies claiming repayment of this amount which was allegedly given as temporary advances. Refer Note 4.3 below.

4.3 Alleged Advances

Consequent to the letter of the erstwhile Chairman, on January 8, 2009, the erstwhile Satyam received letters from thirty seven companies requesting confirmation by way of acknowledgement for receipt of certain alleged amounts referred to as “alleged advances”. These letters were followed by legal notices from these companies dated August 4/5, 2009, claiming repayment of Rs. 123040 Lakhs allegedly given as temporary advances. The legal notices also claim damages/ compensation @18% per annum from date of advance till date of repayment. The erstwhile Satyam has not acknowledged any liability to any of the thirty seven companies and has replied to the legal notices stating that the claims are legally untenable.

The 37 companies had 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.

One petition where court fees have been paid and the pauper petition converted into a suit which is pending disposal and petitions filed by remaining 36 companies are before the Court, at various stages of rejection of pauperism/ trial of pauperism/ inquiry in condone delay applications.

The remaining petitions are at a preliminary stage before the Court, for considering condonation of delay in re-submission of pauper petitions. In one petition, the delay had been condoned by the Court and the Company has obtained an interim stay order from the Honorable High Court of Andhra Pradesh. The Honorable High Court after hearing the parties has remanded the matter to the lower directing to consider the application afresh.

The erstwhile Satyam had received legal notices from nearly all of the above companies, calling for payment of the amounts allegedly advanced by them (including interest and damages), failing which they would be constrained to file a petition for winding up the affairs of Satyam. In pursuance thereof, one of the aforesaid companies filed a winding up petition that was dismissed by the High Court. Against the said order of dismissal, the aforementioned company has filed an appeal before the Division Bench of High Court of Andhra Pradesh which is pending hearing.

Furthermore, even in connection with the merger proceedings, the erstwhile Satyam had received letters from the aforesaid companies claiming themselves to be "creditors". They had pleaded inter-alia before the High Court (hearing the merger petition of the erstwhile Satyam with the Company) that the mandatory provisions governing the scheme under the Companies Act, 1956 have not been complied with in so far as convening a meeting of the creditors is concerned. They contended that without convening a meeting of the creditors and hearing their objections, the merger scheme could not be proceeded with.

The High Court based on the report of an independent firm of Chartered Accountants appointed by the Court and the contentions of the erstwhile Satyam, held inter-alia, in its order approving the merger of the erstwhile Satyam with the Company, that the contention of the 37 companies that Satyam is retaining the money of the “creditors” and not paying them does not appear to be valid and further held that any right of the objecting creditors can be considered only if the genuineness of the debt is proved beyond doubt which is not so in this case.

The High Court in its order, further held that in the absence of Board resolutions and documents evidencing acceptance of unsecured loans by the former management of the erstwhile Satyam, the new management of the erstwhile Satyam is justified in not crediting the amounts received in their names and not showing them as creditors and further reflecting such amounts as Amounts pending investigation suspense account (net).

The Directorate of Enforcement (ED) is investigating the matter under the Prevention of Money Laundering Act, 2002 (“PMLA”) and directed the erstwhile Satyam to furnish details with regard to the alleged advances and has also directed it not to return the alleged advances until further instructions from the ED. In furtherance to the investigation by the ED, the erstwhile Satyam was served with a provisional attachment order dated October 18, 2012 issued by the Joint Director, Directorate of Enforcement, Hyderabad under Section 5(1) of the PMLA (“the Order”), provisionally attaching certain Fixed Deposit accounts of the Company then aggregating to Rs. 82200 Lakhs for a period of 150 days. As stated in the Order, the investigations of the ED revealed that Rs. 82200 Lakhs constitutes “proceeds of crime” as defined in the PMLA. The erstwhile Satyam had challenged the Order in the Honorable High Court of Andhra Pradesh (“the Writ”). The Honorable High Court of Andhra Pradesh ("the High Court") has, pending further orders, granted stay of the said Order and all proceedings pursuant thereto vide its interim order dated December 11, 2012. The ED had challenged the interim order before the Division Bench of the Honorable High Court of Andhra Pradesh. By an order dated December 31, 2014 the Honorable High court has dismissed the Appeal filed by ED and continued the Stay granted.

The criminal case has been commenced before the “Honorable XXI Additional Chief Metropolitan Magistrate, Hyderabad cum Special Sessions Court” by the Enforcement Directorate under the Prevention of Money Laundering Act, 2002 against erstwhile Satyam, since merged with the Company along with 212 Accused persons. In the complaint, ED has alleged that the Company has been involved in the offence of money laundering by possessing the proceeds of crime and projecting them as untainted. The Company had challenged the above complaint before the Honorable High Court of Hyderabad and the Honorable High court has quashed the criminal complaint against the Company vide its order dated December 22, 2014. On appeal, the Divisional Bench of the High Court, however passed an interim order allowing the hearing for framing ‘Charges’. On Special Leave Petition before the Supreme Court of India, the Honorable Supreme Court directed the Honorable High Court of Andhra Pradesh to dispose off the writ appeal within a period of four months and further directed the trial court to defer the trial till the Honorable High Court of Andhra Pradesh disposes off the writ appeal.

In view of the aforesaid developments and also based on legal opinion, the erstwhile Satyam's management's view, which is also the Company’s Management’s view, that the claim regarding the repayment of "alleged advances" (including interest thereon) of the 37 companies are not legally tenable has been reinforced.

However, notwithstanding the above, pending the final outcome of the recovery suit filed by the 37 companies in the City Civil Court and the ED matter under the PMLA pending before the High Court, the Company, as a matter of prudence, at this point of time, is continuing to classify the amounts of the alleged advances as "Amounts Pending Investigation Suspense Account (net)", and the same would be accordingly dealt with/reclassified as and when appropriate.

4.4. Provision for taxation

Erstwhile Satyam was carrying a total amount of Rs. 49892 Lakhs (net of taxes paid) as at March 31, 2013 (before giving effect to its amalgamation with the Company) towards provision for taxation, including for the prior years for which the assessments are under dispute.

Subsequent to the amalgamation, duly considering the professional advice obtained in the matter, the Management has re-evaluated the effects of the possible outcomes of the tax matters in dispute relating to erstwhile Satyam and the estimated excess tax provision amounting to Rs. 22660 Lakhs determined based on such evaluation in respect of the prior years have been written back during the previous year ended March 31, 2014. In the opinion of the Management the balance provision for taxation carried in the books with respect to the prior year disputes relating to erstwhile Satyam is adequate.

5. Exceptional item

The exceptional item (income) amounting to Rs. 12000 Lakhs represents write back during the previous year of an estimated excess provision for contingencies provided in an earlier year by erstwhile Satyam, based on a re-evaluation of the same by the Management.

6. Scheme of Amalgamation and Arrangement of Mahindra Engineering Services Limited (MESL):

Pursuant to the Scheme of Amalgamation and Arrangement (the “Scheme”) sanctioned by the Honorable High Court of Bombay vide its order dated October 31, 2014, Mahindra Engineering Services Limited (“MESL”), merged with the Company with effect from April 1, 2013 (the “appointed date”). The Scheme came into effect on December 8, 2014, the day on which the order was delivered to the Registrar of the Companies, and pursuant thereto the entire business and all the assets and liabilities, duties, taxes and obligations of MESL have been transferred to and vested in the Company with effect from April 1, 2013.

In accordance with the Scheme approved by the Honorable High Court of Bombay, the Company has, in December 2014, issued 5 equity shares of Rs. 10 each fully paid up in respect of every 12 equity shares of Rs. 10 each outstanding in the equity share capital of MESL, aggregating to 4259011 equity shares as purchase consideration to the existing shareholders of MESL.

6.1 General nature of business of the amalgamating company

MESL is engaged in the business of rendering engineering services in relation to designing and developing parts, components, systems and aggregates relating to the automotive sector.

The amalgamating company operating in specialized domain of rendering engineering services as indicated above, amalgamating the business in a single entity provides for bringing in synergy benefits, single ‘go-to-market’ strategy, benefits of scale, enhanced depth and breadth of capabilities, standardization and simplification of business processes, attain efficiencies and reduce overall cost.

6.2 Accounting treatment of the amalgamation

The amalgamation is accounted under the 'pooling of interest' method as per Accounting Standard 14 as specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and as modified under the Scheme as under:

• All assets, liabilities and reserves, including the surplus in the statement of Profit and Loss of MESL have been recorded in the books of account of the Company at their respective carrying amounts and in the same form.

• In accordance with the Scheme sanctioned by the Honorable High Court of Bombay, the Company has, in December 2014, issued 5 equity shares of Rs. 10 each fully paid up in respect of every 12 equity shares of Rs. 10 each outstanding in the equity share capital of MESL, aggregating to 4259011 equity shares as purchase consideration to the existing shareholders of MESL ranking pari-passu in all respects with the existing equity shares of the Company.

• The difference between face value of equity shares issued by the Company pursuant to the Scheme and the amount of share capital of the amalgamating company, have been adjusted to Reserves of the transferee company.

Accordingly, the amalgamation has resulted in transfer of assets and liabilities in accordance with the terms of the Scheme at the following summarized values:

Rs. in Lakhs

Particulars of Assets (Liabilities)	**Amount**
Fixed Assets (net)	567
Non-Current Investments	681
Deferred Tax Asset	275
Current Investments	6,367
Trade Receivables	2,874
Cash and Bank Balances	7,526
Loans and Advances (Long Term and Short	4,468
Other Current Assets	859
Liabilities and Provisions (Long Term and Short Term)	(4,087)
Net Assets	**19,530**

Equity Share capital of amalgamating company	(1,020)
Equity shares issued by Tech Mahindra Limited	420
Capital Reserve (credit balance)	(600)

6.3 Other adjustments / matters arising out of amalgamation

In terms of the Scheme, the appointed date of the amalgamation being April 1, 2013, net profit from the amalgamating company (aggregating to Rs. 4283 Lakhs) and movements in other components of reserves and surplus during the financial year 2013-14 has been transferred, to the extent not accounted already, at their respective carrying amounts and in the same form in the books of the Company upon Amalgamation.

As the Scheme has become effective from December 8, 2014 the figures for the previous quarter ended December 31, 2014, includes the operations of the amalgamating company and its subsidiaries for the half year ended September 30, 2014, which is disclosed as special adjustment below the line 'Profit after Tax' and operations of the amalgamating company and its subsidiaries for the period April 1, 2014 till the effective date (December 8, 2014) are included in the profits of the Company for the quarter ended December 31, 2014.

Accordingly, the figures for the quarter ended December 31, 2014 and year ended March 31, 2015 are after giving effect to the merger, while the comparative figures are before giving effect to the merger and, hence are not comparable.

6.4 Pursuant to the Scheme, the title deeds for the properties pertaining to the amalgamating company are pending conveyance in the name of the Company. Further, the Company has initiated the name change formalities to transfer the title in respect of the contracts, agreements, etc.

7. During the quarter ended September 30, 2014, Tech Mahindra GmbH (100% subsidiary of Tech Mahindra Limited) acquired 100% stake in equity of Tech Mahindra Business Services GmbH (earlier known as BASF Business Services holding GmbH) w.e.f. July 29, 2014 for Euro 8180298 (equivalent Rs. 6600 Lakhs).

8. Tech Mahindra Servicos De Informatica LTDA (100% subsidiary of the company) which held 51% stake in Complex IT Services Consultoria EM Informatica LTDA ("Complex IT Services") has acquired balance stake of 49% in Complex IT Services for a consideration of BRL 21.40 million (Rs. 4150 Lakhs) out of which BRL 0.40 million paid upfront, BRL 8 million and 13 million payable on December 31, 2015 and 2016 respectively. As at March 31, 2015, Complex IT Services has become a 100% subsidiary of Tech Mahindra Servicos De Informatica LTDA.

9. During the quarter ended March 31, 2015, Tech Mahindra (Americas) Inc. (100% subsidiary of Tech Mahindra Limited) has acquired 30% stake for USD 3 Million in Avion Networks Inc. Tech Mahindra (Americas) Inc. has been issued 600000 shares of the Series A Preferred Stock (par value $0.001 per share) for a total consideration of USD 3 Million, paid upfront and USD 3 Million payable in calendar year 2016 on achievement of mutually agreed milestones. Post the payment, one nominee of Tech Mahindra Limited has been appointed on the board of Avion Networks Inc. The Company has classified this investment as investment in associate.

10. During the quarter ended March 31, 2015 the company has infused USD 170 Million (Rs. 106963 Lakhs) in its 100 % subsidiary Tech Mahindra (Americas) Inc.
Tech Mahindra (Americas) Inc. (100 % subsidiary of the company) has w.e.f January 2, 2015 acquired 100% Stake in Lightbridge Communications Corporation (LCC) based in USA, for a consideration of USD 170 Million (Rs. 107729 Lakhs), paid upfront. Acquisition cost incurred amounting of Rs. 1682 Lakhs has been added to the cost of investment. LCC is one of the largest independent global providers of Network Engineering services. LCC has built 350 networks and designed more than 350,000 cell sites for over 400 customers worldwide.

11. The Company, pursuant to share purchase agreement dated January 8, 2015, has acquired 100% stake (comprising of 1065848 Ordinary Shares of Euro 1 each and 27062 Class A shares of Euro 1 each) in Sofgen Holdings Limited (Sofgen) on March 13, 2015 for a consideration up to USD 24.25 Million, out of which USD 14.25 million (Rs.8947 Lakhs) paid upfront and balance amount of USD 10.00 Million being contingent on achieving agreed performance based milestones over a period of two years ending December 31, 2015 (USD 6.00 Million) and December 31, 2016 (USD 4.00 Million). Sofgen is into a niche consulting and services specializing in private/wealth, commercial and retail banking solutions. Tech Mahindra Limited has incurred expenditure of Rs. 238 Lakhs on acquisition of shares in Sofgen and the same has been added to the cost of investment.

12. The Board of Directors of the Company in their meeting held on May 26, 2015 have approved the "Scheme of Amalgamation and Arrangement under applicable provisions of the Companies Act, 1956 of Tech Mahindra BPO Limited and New VC Services Private Limited (both are 100% subsidiaries of Tech Mahindra Limited) with the Company (TML)" ("the Scheme"). The Appointed date of the Scheme is April 1, 2015.

13.Current tax expense for the year ended March 31, 2015 is net of excess provision of Rs. 640 Lakhs (net)(quarter and Year ended March 31, 2014: Rs. 6 Lakhs and Rs. 2398 Lakhs respectively)of earlier periods written back, no longer required.

Consolidated Audited Financial Results for the quarter and year ended March 31, 2015

14. Shareholders on March 10, 2015 approved the issue of bonus shares and share split and the Board of Directors fixed the record date as March 20, 2015.
• by capitalisation of free reserves, issue of bonus shares in the ratio of one equity share (bonus shares) for every 1 equity share held by member(s) and share split in the ratio of 2 equity shares having face value of Rs. 5 each against 1 equity share having face value of Rs. 10 each held.
• On March 21, 2015, the company allotted 240161577 equity shares (bonus shares) of Rs. 10/- each, to be issued in the form of split shares of 480323154 of Rs. 5/- each and also the balance outstanding shares on the Record Date were converted into 480323154 equity shares of Rs. 5 each fully paid up.
The Bonus shares were issued by capitalization of balance in the General Reserve amounting to Rs. 24016 Lakhs.

Basic and diluted earnings per share for the previous periods has been presented to reflect the adjustment for bonus share and split in accordance with Accounting Standard 20 Earnings Per Share.

15. Previous period figures have been regrouped/rearranged wherever necessary.

16. Current quarter numbers are not comparable with previous quarter and previous year's quarter as the Company has given effect of the completed acquisition of Lightbridge Communications Corporation (LCC) and Sofgen Holdings Limited (Sofgen) during the current quarter. (Refer Note 10 & 11 above).

17. The qualification in the Auditors' Report for the year ended March 31, 2015 and Management response thereon;
The Auditor has qualified their report on the following ground;
With respect to the matters described in Note 4.3 above, in the absence of complete / required information, and since the matter is sub-judice, their inability to comment on the accounting treatment/adjustments/disclosures relating to the aforesaid alleged advances amounting to Rs. 123040 Lakhs (net) and the related claims for damages/compensation/interest, which may become necessary as a result of the ongoing legal proceedings and the consequential impact, if any, on these financial results. However, in the eventuality of any payment up to Rs 123040 lakhs, against the aforesaid claims for the principal amounts of the alleged advances, there will be no impact on the profits/losses or reserves of the Company.

With regard to the auditors' qualification in note above, refer to the details in note 4.3.

18. Figures of the quarter ended March 31, 2015 and March 31, 2014 are the balancing figures between audited figures in respect of the full financial year and published year to date figures up to the third quarter of the respective financial year.

19. The standalone 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.

Statement of Assets and Liabilities (Consolidated - Audited) **Rs. in Lakhs**

Particulars	**As at March 31, 2015**	**As at March 31, 2014**
A. EQUITY AND LIABILITIES		
1. Shareholders' Funds		
(a) Share Capital	48,039	23,347
(b) Reserves and Surplus	1,176,824	894,690
2. Share application money pending for allotment	34	149
3. Minority Interest	16,008	14,382
3. Non Current Liabilities		
(a) Long-Term Borrowings	4,596	1,904
(b) Other Long-Term Liabilities	4,398	37,574
(c) Long-Term Provisions	41,014	41,380
4. Current Liabilities		
(a) Short-Term Borrowings	62,858	3,341
(b) Trade Payables	205,869	147,222
(c) Other Current Liabilities	122,264	180,241
(d) Short-Term Provisions	179,868	126,685
Account (Net)	123,040	123,040
TOTAL - EQUITY AND LIABILITIES	**1,984,812**	**1,593,955**
B. ASSETS		
1. Non-Current Assets		
(a) Fixed Assets	287,234	229,655
(b) Goodwill on Consolidation	172,827	56,403
(c) Non-Current Investments	129,866	121,935
(d) Deferred Tax Asset	39,013	38,300
(e) Long-Term Loans and Advances	127,552	91,372
(f) Other Non-Current Assets	3,056	2,102
2. Current Assets		
(a) Current Investments	80,414	25,248
(b) Inventory	2,448	981
(c) Trade Receivables	520,590	434,855
(d) Cash and Cash Equivalents	240,486	331,494
(e) Short-Term Loans and Advances	187,283	145,442
(f) Other Current Assets	194,043	116,168
TOTAL - ASSETS	**1,984,812**	**1,593,955**

Date : May 26, 2015
Place : Mumbai

Vineet Nayyar
Executive Vice Chairman