

| Particulars | Quarter ended | | | Rs. in Lakhs |
|--|---------------|--------------------------|---------------|---------------------------|
| | June 30, 2016 | March 31, 2016 | June 30, 2015 | Year Ended March 31, 2016 |
| | | Unaudited (refer Note 9) | | |
| 1 Income from Operations | 564,676 | 546,685 | 501,631 | 2,096,981 |
| 2 Expenses | | | | |
| a) Employee benefits expense | 185,038 | 189,498 | 184,938 | 742,901 |
| b) Travelling Expenses | 11,749 | 10,349 | 11,407 | 40,824 |
| c) Services rendered by Business Associates and Others | 216,611 | 200,715 | 187,404 | 780,285 |
| d) Depreciation and amortisation expense | 14,210 | 15,784 | 12,328 | 54,174 |
| e) Other expenses | 58,105 | 54,114 | 47,171 | 194,176 |
| Total Expenses | 485,713 | 470,460 | 443,248 | 1,812,360 |
| 3 Profit from operations before other income and finance costs (1-2) | 78,963 | 76,225 | 58,383 | 284,621 |
| 4 Other Income | | | | |
| Exchange gain / (loss) (net) | 8,554 | 3,674 | 8,704 | 13,393 |
| Other income | 8,947 | 10,302 | 31,125 | 95,399 |
| Total | 17,501 | 13,976 | 39,829 | 108,792 |
| 5 Profit before finance costs and tax (3+4) | 96,464 | 90,201 | 98,212 | 393,413 |
| 6 Finance costs | 1,463 | 1,292 | 1,341 | 5,332 |
| 7 Profit before tax (5-6) | 95,001 | 88,909 | 96,871 | 388,081 |
| 8 Tax expense - Current and Deferred Tax | 21,253 | 12,058 | 16,561 | 70,354 |
| 9 Profit after tax (7-8) | 73,748 | 76,851 | 80,310 | 317,727 |
| 10 Other Comprehensive Income | 1,737 | 8,928 | (13,228) | 13,054 |
| 11 Total Comprehensive Income (9+10) | 75,485 | 85,779 | 67,082 | 330,781 |
| 12 Paid-up Equity Share Capital (Face Value of Share Rs. 5) | 48,526 | 48,355 | 47,999 | 48,355 |
| 13 Total Reserves | | | | 1,451,114 |
| 14 Earnings Per Equity Share (Rs) (not annualised) | | | | |
| - Basic | 7.61 | 7.98 | 8.36 | 32.98 |
| - Diluted | 7.49 | 7.81 | 8.17 | 32.30 |

Notes :

1. The quarterly results have been reviewed by the Audit Committee and taken on record by the Board of Directors in its meeting held on August 1, 2016.

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

In the letter dated January 7, 2009 Mr. B. Ramalinga Raju, the then Chairman of erstwhile Satyam, stated that the Balance Sheet of erstwhile Satyam as at September 30, 2008 carried 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 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 and issued notices calling for information including from certain subsidiaries which have been responded to.

In 2009, SFIO initiated two proceedings against erstwhile Satyam for Companies Act violations which have since been compounded. On December 24, 2009, SFIO filed its report under Section 235 of the Companies Act before the Company Law Board (CLB) which stated that 'all these offences and violations relating to fraud have already been covered by CBI in its charge-sheet and a prosecution has been launched by CBI under various sections of Indian Penal Code in none of which erstwhile Satyam was made a party. Consequently, the CLB vide its further Order dated March 1, 2016 struck off the name of the Company from the array of respondent in the Company Petition filed by the Ministry of Company Affairs (MCA). There are no other proceedings initiated by SFIO/CLB against the Company and the Management does not expect any further proceedings or penal action in this regard.

On a FIR filed by one of the investors, the Andhra Pradesh Crime Branch, Crime Investigation Department (AP CB CID), Hyderabad started an investigation into the fraud in 2009, which was subsequently transferred to CBI, Hyderabad. In all, there were 3 separate complaints instituted by the CBI before the XIV Additional Chief Metropolitan Magistrate cum Special Sessions Court, Hyderabad (Special Court). By a common judgment dated April 9, 2015, the Special Court found the accused persons guilty and convicted them. The Company was not named as an accused in the proceedings and in the said judgment. Thus, in the opinion of the Management, the matter is closed so far as the Company is concerned and no further proceedings against the Company are envisaged in this regard.

Further, certain non-compliances/breaches of various laws and regulations by the erstwhile Satyam under the former Management (prior to Government nominated Board) were identified by various agencies including but not limited to the following - payment of remuneration/commission to whole-time directors/non-executive directors in excess of the limits prescribed under the Act, unauthorised borrowings, excess contributions to Satyam Foundation, loan to ASOP Trust (Satyam Associates Trust) without prior Board approval under the Act, delay in deposit of dividend in the bank, dividend paid without profits, non-transfer of profits to general reserve relating to interim dividend declared, utilisation of the Securities Premium account, declaration of bonus shares and violation of SEBI ESOP Guidelines, 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.



Tech Mahindra Limited

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On May 22, 2013, the ED had issued a show-cause notice to the erstwhile Satyam for contravention of provisions of the Foreign Exchange Management Act, 1999 (FEMA) for alleged non-repatriation of American Depository Receipts (ADR) proceeds aggregating USD 39.2 Million. The Company has responded to the ED's show-cause notice on March 28, 2014 and has not received any further communication in this regard.

The ED had also issued a show-cause notice to the erstwhile Satyam on April 28, 2011 for contravention of the provisions of FEMA and the Foreign Exchange Management (Realisation, Repatriation and Surrender of Foreign Exchange) Regulations, 2000, in respect of the non-realisation and repatriation of export proceeds to the extent of foreign exchange equivalent to Rs. 5060 Lakhs for invoices raised during the period July 1997 to December 31, 2002. The erstwhile Satyam has responded to the show-cause notice and has not received any further communication in this regard.

As per the assessment of the Management, based on the forensic investigation and the information available, 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 regulators/agencies and no new information has come to the Management's notice which requires adjustments to the financial statements. Further, as per above, the investigations have been completed and no new claims have been received which need any further evaluation/adjustment/disclosure in the books of account.

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 these companies dated August 4/5, 2009, claiming repayment of the alleged advances aggregating Rs. 123040 Lakhs stated to be given as temporary advances but without any evidence in support of the nature of these transactions. This is also borne out in the internal forensic investigation. 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.

One petition where court fees have been paid, the pauper petition was converted into a suit which is pending disposal. The petitions filed by remaining 36 companies are before the Court, at various stages of rejection of pauperism/trial of pauperism/inquiry to condone the delay in applications. In one petition, the delay in submission of the petition has been condoned by the Court and the Company has obtained an interim stay Order from the Honorable High Court of Andhra Pradesh, which has remanded the matter to the lower Court directing to consider the application afresh. Lower Court upon hearing the application has condoned the delay in re-submission of pauper petition. The Company has challenged the said order in Revision before the High Court of Andhra Pradesh, which is pending hearing. In another development, Company has also filed a Revision against the orders of the Lower Court in the application filed by the Company to recall the Order in numbering the pauper petition as Original Petition. Honorable High Court has been pleased to stay the proceedings until further orders.

The Honorable High Court in its Order approving the merger of the erstwhile Satyam with the Company, further held that in the absence of Board resolutions and documents evidencing acceptance of unsecured loans, i.e. alleged advances, 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 disclosing them as creditors and in disclosing such amounts as 'Amounts pending investigation suspense account (net)' in the financial statements. The Honorable High Court held, inter-alia, that the contention of the 37 companies that Satyam is retaining the money, i.e. the alleged advances, 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 said 37 companies 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 Satyam Computer Services Limited (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. 82200 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 deposit which were attached, fixed deposits aggregating Rs 35700 Lakhs have been redeemed. Certain banks have not honored the redemption claim and the Company is pursuing the matter legally.

A criminal case was filed by the ED before the Honorable XXI Additional Chief Metropolitan Magistrate, Hyderabad cum Special Sessions Court (Trial Court) under the PMLA against erstwhile Satyam along with 212 accused persons. The Company had challenged the above prosecution before the Honorable High Court of Andhra Pradesh which quashed the criminal complaint against the Company vide its Order dated December 22, 2014. On an appeal preferred by the ED, the Divisional Bench of the High Court, however passed an interim Order allowing the hearing for framing 'Charges'. A Special Leave Petition was filed by the Company before the Honorable Supreme Court of the India, which, vide its Order dated May 11, 2015, directed the Honorable High Court of Andhra Pradesh to dispose off the Writ Appeal on its merits and preferably within a period of four months and further stayed the proceeding before the Trial Court. The said Appeal has not been heard till date.

In view of the aforesaid developments, which occurred and crystallised during the year and also based 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, at this point of time, the Company has accounted and disclosed the amount of Rs. 123040 Lakhs as 'Suspense Account (net)', provided earlier. 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.



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3. Pursuant to the Scheme of Amalgamation (the Scheme) sanctioned by the Honorable High Court of Judicature at Bombay vide its order dated March 04, 2016, Tech Mahindra BPO Limited (TMBPO), and New vC Services Private Limited (New vC) have been merged with the Company with effect from April 1, 2015 (the appointed date). The Scheme came into effect on March 29, 2016, the day on which the order was delivered to the Registrar of the Companies, and pursuant thereto the entire business and all assets and liabilities, income and expense have been included retrospectively in the financial statements of the company prepared under Ind AS in accordance with Ind AS 103 Business Combinations as the amalgamated companies are entities under common control. Amount of Share capital of the transferor companies and gross value recorded as investments is adjusted and the difference is debited to General Reserves in accordance with the Scheme.

4. On May 30, 2016, the Company jointly with Mahindra & Mahindra, through an SPV (where Tech Mahindra Ltd. holds 60 %), PF Holdings BV, completed the acquisition of purchasing the controlling stake in Pininfarina S.p.A., an iconic Italian brand in automotive and industrial design. As per the agreement, the Company and Mahindra & Mahindra purchased 76.06 % stake for a total upfront consideration of EUR 25.24 Million (Rs. 18840 Lakhs). Accordingly, Pininfarina S.p.A. became a step-down subsidiary of the Company w.e.f the said date.

5. Tech Mahindra Limited, on May 27, 2016, entered into an agreement to acquire 100% equity in Target Topco Limited (Target Group), based in UK, subject to regulatory approvals for a consideration of GBP 64 million payable upfront, deferred consideration of GBP 16 million which is payable based on mutually agreed performance milestones. The transaction is expected to close by September 2016.

6. The Company, on June 21, 2016, entered into an agreement to acquire 100 % equity in The Bio Agency Limited, a company based in UK for a total consideration of GBP 22 million plus the surplus cash as on the date of acquisition, payable upfront and deferred consideration payable in accordance with company's performance. The Company, in June 2016, has given an advance of GBP 25 Million in regard to this said acquisition.

7. Based on the Management's assessment and improved financial performance of Tech Mahindra GmbH, the Company, during the quarter ended June 30, 2015, has reversed the provision for diminution in value of its investment in Tech Mahindra GmbH, which was provided for in an earlier year, amounting to Rs. 3536 Lakhs.

8. Current tax expense for the quarter ended June 30, 2016 is net of excess provision of Rs. 589 Lakhs (net) (Quarter ended March 31, 2016 : Rs.1721 Lakhs and June 30, 2015: Rs. 1243 Lakhs) of earlier periods written back, no longer required.

9. The financials results for the quarter ended March 31, 2016 has not been audited or reviewed and has been presented based on the information compiled by the management after making the necessary adjustments to give a true and fair view of the results in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013.

10. The Company has prepared its first Ind AS compliant Financial Statements for the periods commencing April 1, 2016 with restated comparative figures for the year ended March 31, 2016 in compliance with Ind AS. Accordingly, the Opening Balance Sheet, in line with Ind AS transitional provisions, has been prepared as at April 1, 2015, the date of company's transition to Ind AS. In accordance with Ind AS 101 First-time Adoption of Ind AS, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to equity under Ind AS as at March 31, 2016, June 30, 2015 and April 1, 2015 and of the total comprehensive income for the quarter ended June 30, 2015.

The principal adjustments made by the Company in restating its "Previous GAAP" statement of Profit and Loss for the quarter and year ended March 31, 2016 and quarter ended June 30, 2015 are as mentioned below:

| Particulars | Note No. | Rs. in Lakhs | | |
|--|----------|-----------------|---------------------|----------------|
| | | Quarter ended | | Year ended |
| | | June 30, 2015 | March 31, 2016 | March 31, 2016 |
| Net Profit as per Previous GAAP | | | | |
| Adjustments | | | Refer Note 9 | |
| Merger of entities under common control | 3 | 81,684 | 77,264 | 322,000 |
| Impact of stock compensation cost | ii | 1,989 | - | - |
| Reversal of provision of non-current investment | i | (500) | (314) | (905) |
| Gain on fair valuation of current investments (mutual funds) | iii | (2,435) | - | (2,435) |
| Actuarial gain on defined benefit liability recognised in Other Comprehensive income | iv | - | 72 | 72 |
| Others | | (428) | (146) | (980) |
| Net Profit as per Ind AS | | - | (25) | (25) |
| Other Comprehensive Income | i and iv | 80,310 | 76,851 | 317,727 |
| Total Comprehensive Income as per Ind AS | | (13,228) | 8,928 | 13,054 |
| | | 67,082 | 85,779 | 330,781 |

Footnotes to the reconciliation between previous GAAP and Ind AS.

i) Fair Value Through Other Comprehensive Income (FVTOCI) Financial assets:

Under "Previous GAAP", the Company accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated such investments (other than subsidiaries and associates) as FVTOCI investments. Ind AS requires FVTOCI investments to be measured at fair value. Due to difference between the investments' fair value and "Previous GAAP" carrying amount, total comprehensive income has been increased by an amount of Rs. 1160 Lakhs for quarter ended June 30, 2015 and decreased by an amount of Rs. 2785 Lakhs and Rs. 546 Lakhs for the quarter ended March 31, 2016 and year ended March 31, 2016 respectively.

The Company, under the "Previous GAAP" had made provision for diminution in value of quoted investments in earlier years, now under Ind AS since investments are accounted at fair value, provision for diminution, no longer required has been reversed by the company and corresponding effect has been given by crediting retained earnings by an amount of Rs. 2435 Lakhs as at transition date. During the quarter ended June 30, 2015, the company had already reversed the amount of provision for diminution in value of quoted investment of Rs. 2435 Lakhs in "Previous GAAP" financials and on reversal on transition date, the profit under Ind AS has been decreased by an amount of Rs. 2435 Lakhs for quarter ended June 30, 2015 and year ended March 31, 2016.



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ii) Share based payments:

Company's stock option cost applicable to employees of group companies, net of reimbursements, have been considered as capital contribution.

Further, under "Previous GAAP", the Company recognised compensation cost based on intrinsic value method. Ind AS 102, Share-based Payment, requires compensation cost to be recognised on fair value as at grant date to be determined using an appropriate pricing model over the vesting period. Accordingly, stock compensation cost has been measured in accordance with Ind AS 102 and profit has been decreased by an amount of Rs. 500 Lakhs, Rs. 314 Lakhs and Rs. 905 Lakhs for quarter ended June 30, 2015, quarter and year ended March 31, 2016 respectively.

iii) Fair Value Through profit or loss in respect of Financial assets:

Under "Previous GAAP", the company accounted for current investment in mutual funds on the basis of cost or Net realizable value, whichever is lower. Ind AS requires the same to be measured at fair value. Accordingly, current investment in mutual funds have been measured at fair value and profit has increased by an amount of Rs. 72 Lakhs for the year ended March 31, 2016.

iv) Other Comprehensive income:

Under "Previous GAAP", the company has not presented other comprehensive income (OCI) separately. Now, under Ind AS, actuarial gain/loss on defined benefit liability and effective portion of gain/loss on cash flow hedges (Rs. 14820 lakhs, Rs. 11567 lakhs and Rs. 12625 lakhs for the quarter ended June 30, 2015 and March 31, 2016 and year ended March 31, 2016 respectively) has been shown separately and routed through OCI.

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

12. Emphasis of Matter

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

Note 2 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:

During the previous year ended March 31, 2016, the Additional Chief Metropolitan Magistrate cum Special Sessions Court, Hyderabad vide common judgement on April 9, 2015 convicted the accused persons in 3 separate complaints instituted by the Central Bureau of Investigation (CBI), which also covered the matters investigated by the Serious Fraud Investigation Office (SFIO). The Company was not named as an accused in the proceedings and in the said judgment. The Management does not believe there will be any further proceedings against the Company in this respect. The Company Law Board vide its further Order dated March 1, 2016 has also struck off the name of the Company from the array of respondent in the petition filed by the Ministry of Company Affairs (MCA).

Further, as explained in note 2, certain non-compliances and breaches of various 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 current legal status and external legal opinion, as more fully described in note 2, has concluded that (i) claims made by 37 companies in the City Civil Court for alleged advances amounting to Rs. 123040 Lakhs made by these companies to erstwhile Satyam, and 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 as explained in the note.

13. Management response to Emphasis of Matter:

With regard to the emphasis of matter stated in Note 12 above, there are no additional developments on Emphasis of Matter mentioned in Note 2 above which require adjustments to the financial statements.

Date : August 1, 2016

Place : Mumbai

C. P. Gurnani
Managing Director & CEO

